

SHOWDOWN DUE FOR BRITAIN IN ARMS SITUATION

British Quarters Hint Some Rearmament by Germany May Be Desirable

French Hope Conference in April Will Circle Nazis With Pacts

(By the Associated Press)
Germany's determination to match all continental European nations in military power was revealed in authoritative quarters at Berlin yesterday as Captain Anthony Eden, British lord privy seal, traveled across Europe to Moscow to continue the peace conversations inaugurated at Berlin. French officials, meanwhile, urged strengthening of cooperation among France, Britain and Italy and looked forward to the tri-power conference at Stresa, Italy, early in April as offering an opportunity to encircle Germany with pacts. Berlin—British quarters hinted that Great Britain, by direction, might not regard unfavorably some German military rehabilitation to check France's hegemony and curb Russia's power. A high authority, meanwhile, said Adolf Hitler told his British visitors Germany means to be the military equal of any European nation. Will Britain Join, or Be Independent, Question London—Official circles saw in the Stresa conference the crossroads at which Berlin must decide whether to enter an alliance against the rearmament or remain independent, maintaining her old role of empire. Paris—French officials said the Anglo-German conversations left sharply outlined Germany's eagerness to build herself into Europe's most powerful nation. Rome—Italy announced plans to double the tempo of military airplane construction so as to renew and reinforce her air fleet in three, instead of six, years, it was announced, "for reasons easily understood." Soviet Speak for Security System Moscow—The official press reiterated that catastrophe threatens the world unless some general security system is worked out as soviet officials awaited Eden's arrival this morning. Vienna—Josef Reither, minister of agriculture, demanded restoration of military conscription in Austria so as to do away with private armies such as the fascist Heilmwehr and the Catholic storm troops. Tokyo—Admiral Mineo Osumi, naval minister, said Japan would not relinquish her mandates in the Pacific—Germany's former island possessions—even though her withdrawal from the League of Nations is now effective. Warsaw—Captain Anthony Eden, British lord privy seal, passed through the Polish capital en route to Moscow simultaneously with an announcement that Poland has ordered two destroyers built in Great Britain.

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Their Parley Stirs Europe



All Europe's talking about the armament parley Sir John Simon, below, British foreign secretary, had with Adolf Hitler, above, reichsfuehrer of Germany, at Berlin Tuesday.

4 NAZIS SENTENCED TO DIE, LITHUANIA

Howling Mob Protests Move Before Legation in Nazi Capital

BERLIN, March 27.—(AP)—A howling mob of Germans angered at the sentencing to death of four nazis in Kaunas, Lithuania, bore down on the Lithuanian legation tonight only to meet determined police resistance and fall back.

Hastily summoned police used trucks to barricade the Kurfuerstendamm—the street where the Lithuanian legation is situated—alongside the Polish legation.

The irate mob, part of 60,000 persons who attended one of Berlin's four protest meetings held tonight, broke through the first police cordon but were stopped by the next.

When the police, continually re-

Drastic Changes Not Needed Now, Salem's Schools

No drastic changes are needed in Salem's junior and senior high school courses, Dr. C. L. Hufaker of University of Oregon told the school board last night in reporting the findings of the curricula survey recently completed under his direction.

The purpose of the survey, it was pointed out, was not to find fault but to determine how close Salem's schools were following modern educational trends.

Britain May Not Frown on German Rearmament, Hinted

By LOUIS P. LOCHNER (Copyright 1935, by Associated Press)

BERLIN, March 27.—A hint that some German rearmament to check France's domination in Europe might not be unwelcome to Britain was given in British quarters here tonight shortly after an authoritative source said Adolf Hitler demands gun for gun and man for man equality with other powers.

Out of the swelter of speculation following the conclusion of Anglo-German conversations and the departure of Sir John Simon, British foreign secretary, for London, these apparent certainties emerged:

1. Hitler wants as many soldiers, as many guns, as many airplanes as France has.
2. He would like to have arms superiority to Soviet Russia.
3. A small percentage of the British navy will content him.
4. He regards German rearmament as an accomplished fact, and revision of the Versailles treaty

STATE SCHOOLS EMPLOYEES' PAY BOOST GRANTED

Partial Restoration of 1933 Cuts to Be Made, Voted by Higher Board

10 Per Cent Will Be Lopped Off Old Reductions; Budget Talked

PORTLAND, Ore., March 27.—(AP)—The state board of higher education today voted partial restoration of salary cuts imposed two years ago on staff members of Oregon's institutions of higher learning.

At an executive session, the board voted to restore 10 per cent of the cuts.

"The board feels that it would be unfair and discriminatory especially in view of the rising cost of living, not to afford this partial relief to its staff members along with other state employees," said a statement issued following the meeting.

Five of Nine Members in Private Session
The nine members attending the private session in which they also considered latest prospects as to income for the biennium.

Present were President Willard (Turn to Page 2, Col. 4)

OSBOURNE JURY IS LOCKED UP, NIGHT

Jurors Go to Bed After 11 Hours' Deliberation; Gallows Asked

PORTLAND, Ore., March 27.—(AP)—The jury of six men and six women in the Joseph J. Osbourne murder trial was locked up for the night at 11:05 p.m., tonight after deliberating his case 11 hours.

The case of Osbourne, former special policeman accused of murdering Simon Mish, Portland furniture dealer, went to the jury at 12:05 p.m. today. The jury will resume deliberations at 8 o'clock in the morning.

Circuit Judge James W. Crawford told the jury a unanimous jury would be required for a first degree murder verdict while a majority of 10 could bring a verdict of second degree murder or manslaughter.

The prosecution, asking that Osbourne be sent to the gallows, declared he brutally bludgeoned Mish into unconsciousness and slid his bloody, battered form into a fish pond at the rear of his house. Mish's pet dog was (Turn to page 2, col. 8)

Roosevelt Enjoys Call on British, Cruises Bahamas

MIAMI, Fla., March 27.—(AP)—President Roosevelt called on British neighbors in the Bahamas today as he began his fishing cruise.

Anchoring at Cat Cay in the Bahaman group, he received the Duke and Duchess of Kent of the British royal family who were escorted aboard the presidential yacht by Sir Bede Clifford and Lady Clifford. Sir Bede is governor of the island.

King George's youngest son and his bride, the former Princess Marina of Greece, are honeymooning in the Bahamas. After visiting with Mr. Roosevelt the Kents and the Cliffords left by plane for Nassau, where they planned to attend a ball at government house.

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Russell Named Chief Engineer for State's Utilities Department

Led Willamette Flood Control Work; Lester to Remain, Asked to Prepare Data for Three Big Rate Cases

APPOINTMENT of T. O. Russell of Eugene as chief of engineers for the public utilities commissioner was announced yesterday by Frank C. McColloch. The commissioner said he was gratified that Russell had accepted the appointment since he considered him one of the outstanding engineers in the state.

World News at a Glance

(By the Associated Press)
The Arms Situation: BERLIN—British hint some rearmament to offset France acceptable.

PARIS—French view power thirly Germany; seek Anglo-Italian tieup.
MOSCOW—Russia sees disastrous war threat in German rearmament.

ROME—Italy speeds aviation program.
TOKYO—Japan quits league; to keep Pacific islands held for league since world war.

WASHINGTON—House passes, sends to senate bills to enlarge navy.
Domestic: CHICAGO—Federal court action charges RFC permitted account manipulations by Charles G. Dawes and other directors of old Central Republic Trust company.

MIAMI, Fla.—President visits British Bahamas on Atlantic cruise, meets newlywed Duke and Duchess of Kent.

WASHINGTON—AAA replacement by new setup seen in soil erosion office consolidation under Tugwell.

Foreign: BERLIN—German demonstrators protest death sentences to four nazis in Lithuania.
ACAPULCO, Mexico—Giant passenger plane hops 1500 miles nonstop from Miami in 11 hours, 5 minutes.

LONDON—King George names John Buchan, Scottish author, governor general of Canada.

White succeeds Max Gehlhar who resigned January 1 to return to his farm in Oregon. Gehlhar yesterday afternoon wired White his congratulations and volunteered to help him get started in his new job.

The governor and White are expected to confer here today and after conference, heads of the six departments in the agriculture yesterday by Governor Charles H. Martin. White's work will start April 1. He has already accepted the position.

White finished his work in Oregon (Turn to Page 2, Col. 6)

Frustrated Trio Of Bandits Flees

MAUSTON, Wis., March 27.—(AP)—Frustrated in their attempt to rob the state bank of Mauston by a plucky assistant cashier whom they wounded, three robbers late today were roaring across southern Wisconsin in wild flight. Within five hours the trio commandeered five automobiles in succession, taking the occupants along in all but one instance as hostages.

The hearing was the second of a series, one being held on Monday at Missoula, Mont., and another planned for Portland on Friday.

English as She Ain't Spoke is Deemed Valuable

NEW YORK, March 27.—(AP)—After listening to English "as she is spoke" throughout the United States and especially in New York, Dave Apollon has decided to insure his Russian accent for \$100,000. The stage performer declared tonight that he considered the accent his greatest stock in trade, although he is doing high along Broadway as a band leader, dancer, singer and musician.

Apollon, who is now heading an international revue on Times Square, said he had made the discovery, at first painful and later profitable, that people regarded his broken English as very funny.

5 Champoege Park Board Members Named by Martin

Five Oregon citizens were named yesterday by Governor Martin to serve as the provisional park board, having charge of Champoege park and the museum there. The board was provided for by a law enacted at the last session.

LIQUOR BOARD APPOINTS ALLEN ADMINISTRATOR

Reasons for Ousting Frank Spencer Not Divulged; Disagreement Hinted

"Matters of Policy" Cause, Says Ex-Liquor Head; Governor Silent

PORTLAND, Ore., March 27.—(AP)—The Oregon liquor control commission today appointed Senator Jack E. Allen of Pendleton as acting liquor administrator.

Allen, former mayor of Pendleton and active in democratic politics of eastern Oregon, succeeds Frank A. Spencer of Portland who resigned today after being liquor administrator for less than two months.

Allen to Resign From State Senate
As soon as Allen resigns as state senator from the joint Umatilla-Union-Morrow counties district he will be appointed permanent administrator, the new liquor control commission indicated.

In a brief resignation letter Spencer said: "During my brief tenure of office as administrator of the commission, I have made a sincere effort to conduct its operations to the best business interests of the state of Oregon and regret that in certain 'matters of policy' I have apparently not been in agreement with the commission."

"I have, therefore, decided to tender my resignation as administrator effective at once," Commission Statement Reveals Nothing
There was no elaboration on "matters of policy," nor did the commission enlarge upon the details of disagreement in its laconic statement.

Governor Charles H. Martin said he had no statement to make about the appointment.

"I was not aware of what the commission intended to do in regard to Mr. Spencer's successor," he said. "That is the commission's business."

Senator Allen had been in Portland several days discussing the appointment.

Six Beer Vending Permits Revoked
The liquor control commission today permanently revoked six beer vending permits and suspended licenses of five other dealers for 10 days.

Disagreement between Frank A. Spencer, liquor administrator, and the commission, over the method of purchasing liquor being followed by Spencer, was understood yesterday at the statehouse to have caused Spencer's ouster from the liquor job.

(Turn to Page 2, Col. 1)

DAWES NAMED, NEW COUNTER RFC SUIT

CHICAGO, March 27.—(AP)—The reconstruction finance corporation was charged in a bill filed in federal district court late today with countenancing "illegal practices, manipulations and juggling of accounts" on the part of Charles G. Dawes and other directors of the old Central Republic Trust company.

The allegations were contained in a counter action filed in behalf of several stockholders who are defendants in a suit recently instituted by the RFC to collect \$30,000,000 unpaid on an \$80,000,000 RFC loan granted the old Dawes bank.

The bill alleged that the RFC acted in concert with Dawes, former vice-president of the United States, 10 of his co-directors, and the Central Republic in diverting assets of the institution to the recently organized City National Bank and Trust company.

Seattle, March 27.—(AP)—The Vancouver Lions won the British west coast hockey league championship here tonight 2-1 in an overtime game with the Seattle Seawhaws.

It was O'Neill, a Vancouver spare, who chucked in the winning shot in three minutes 14 seconds of the overtime period. He soloed the puck down the ice and whipped it into the Seattle goal with a backhand drive from near the sideboards.

In winning the league championship, Vancouver came from third place in the league's season standings, having defeated the second place Portland team in the playoff to see which should meet the league leading Seawhaws for the championship. Calgary was the league's 1934 champion.

PORTLAND, Ore., March 27.—(AP)—Jim Londo retained his claim to the heavyweight wrestling championship of the world here tonight by taking two straight falls from Casey Kazanjian of San Francisco.

The big Greek from Los Angeles matched holds and tactics with Kazanjian for 42 minutes and 15 seconds before he secured a short arm scissors and wore the San Franciscan down for the first fall.

Pacific's Naval Base Construction Program Swept Through House

Statesman Enters 85th Year Today; Founded in 1851

ITS happy birthday for the Statesman this morning, the number one in the top of page one indicating that another newspaper year has rolled around and the 84th year for the publication has become history.

It was 84 years ago today that The Oregon Statesman published its initial number—a seven-column, four-page paper which came out at Oregon City, then the capital of the Oregon territory.

Asahel Bush, editor of the paper, was also its founder, and he continued to print it at Oregon City until June 21, 1853, when the paper began publication in Salem. The reason was the removal of the territorial capital here. In 1855 when the capital of the territory went to Corvallis for a few months—along went The Statesman and Mr. Bush.

Aside from The Oregonian, established in 1850, The Statesman is the second oldest paper in the state.

Three Measures Will Strengthen Naval Defense Arms
Sent to Senate With Roosevelt Okeh; Significant

WASHINGTON, March 27.—(AP)—With scarcely a ripple of opposition, the house today swept to passage three measures to strengthen naval defense afloat, ashore and in the air.

The loudly approved trio of bills would:
Authorize the navy to proceed with a \$38,000,000 program of building up strategic naval bases in the Pacific.
Thousand Extra Officers For Ships Provided
Provide a thousand extra officers for fighting ships.

Assure the navy enough aviators for an expanding air force.
The bills, which house leaders said constituted the most significant naval legislation due this session, were handed over to the senate, carrying the blessing of the administration.

They were designed to meet the necessities of a fleet now on the way toward the maximum power allowed by international arms pacts. From Representative Marcantonio (R-N.Y.) came an assertion that the measure to strengthen naval bases meant the nation is "deliberately waving a war flag on the Pacific coast, and I believe that is highly dangerous."

He objected to passing a \$38,000,000 authorization with "fewer than 38 members on the floor."
"If we are going to fight, tell us who it is," suggested Representative Hull (D-Wis.). "Let's spend the money for fighting, not to build up million dollar dormitories."

Huge Drydock For Pearl Harbor Included
Naval committee members explained the authorization measure, by Representative Darden (D-Va.), would help meet a lack of adequate drydock facilities on the west coast and in Hawaii. A gigantic 10,000,000 floating drydock at Pearl Harbor, Hawaii, is the biggest item in the measure and is No. 1 on the navy's priority construction list.

RUDIN SECOND IN SPEAKING CONTEST

WALLA WALLA, Wash., Mar. 27.—(AP)—Max Rudin of the University of Southern California, was judged the best of six extemporaneous speakers in the Pacific forensic league finals here tonight. John Rudin of Willamette placed second.

On a vote of 100, Rudin of the six speakers with the audience was Thomas Lambert, of the Los Angeles branch of the University of California. He was first place winner Tuesday night in the oratorical contest. Lambert asserted by exceeding the time limit, however, and was automatically disqualified.

WALLA WALLA, Wash., Mar. 27.—(AP)—Debate teams from the University of Southern California and the University of California at Los Angeles emerged in head heat here today in the final rounds of the Pacific forensic league conference.

The tied teams will meet again Thursday morning.
Tournament officials declined to reveal other results of debates at Walla Walla until the finals are concluded, according to the Associated Press. Willamette university's debaters yesterday met Stanford and U. C. L. A.

Schools Closed At Vancouver as Diseases Spread

VANCOUVER, Wash., March 27.—(AP)—Vancouver's public schools will be closed all next week because of the large number of students now kept home by mumps, measles, chicken pox, colds and other diseases, Superintendent Paul F. Gaiser announced today.

Attendance has fallen off as much as 10 per cent the past few days. Time lost now will be made up before summer vacation starts next June.

The Vancouver superintendent is a brother of Gaiser, Salem city school superintendent.

BAN SALACIOUS MAGAZINES
MARSHFIELD, Ore., March 27.—(AP)—Salacious magazines and other literature must go, Chief of Police J. C. Coy said today, warning vendors of obscene literature to get rid of their supplies immediately.

GOVERNOR GENERAL, CANADA
LONDON, March 27.—(AP)—John Buchan, Scottish author and parliamentarian, was named in an appointment signed by King George today as the next governor general of Canada.