



THE WEATHER

Fair and somewhat warmer today, Sunday fair but becoming unsettled; Max. Temp. Friday 65, Min. 46; river 1.7 feet, rain .12 inch.

EIGHTY-FIFTH YEAR

Salem, Oregon, Saturday Morning, May 18, 1935

No. 45

FRUIT GROWERS FEEL PINCH OF LUMBER STRIKE

Barrels for Cold Pack Are Lacking; Cooperaage Plant is Down

Effect to be Widespread; Situation Unfortunate As Holdover Small

Berry and fruit growers here yesterday were beginning to awaken to the fact that a continuation of the existing lumber and woodworkers' strike would prevent them from selling to local processors berries and cherries for freezing and barrel packing.

With the strawberry season only a fortnight away, and 50,000 barrels of cold pack berries ordinarily put up in Oregon alone, local canners were without means of supplying barrels to handle the crop unless the strike is dispersed.

"The situation is extremely serious," Edgar Burns, secretary of the Northwest Canners' association and of the Northwest Fruit Barrels' association, reported yesterday.

"The Western Cooperaage company in Portland closed Monday and since it is the source of almost all the barrels used in Oregon, as long as it is doing no business, it is impossible to get barrels. The cooperaage plant in Seattle is also closed. I don't think more than ten per cent of the barrels needed for the berry pack have been shipped; a small additional number have been made in the Portland plant due to the picket lines. The cooperaage company cannot ship the barrels."

Burns came to Salem yesterday to confer with Solon T. White, state director of agriculture, seeking to arouse farmers to the danger before them if barrels cannot be obtained within the next few days.

Burns said the strike, if it continues, will affect the burling of cherries. It probably is making it difficult, probably impossible to obtain berry crates, Burns said.

"The situation is especially unfortunate this year," he commented. "The strawberry barrel pack has been cleaned up better than it has been for years. Instead of the more than 25,000 barrels carried over as there were in 1934, this year finds only 3000 to 4000 barrels on hand. The crop prospect is good and the market outlook firm. Cherries are also going to be in good demand."

It was reported late yesterday that the major deficit of the 500 men employed by the Western Cooperaage company in Portland were willing to go back to work if asked. (Turn to page 2, col. 1)

COLONY IN ALASKA TO HELP RAILROAD

PALMER, Alaska, May 17.—(AP)—Colonization of the Matanuska valley will help put the Alaska railroad on a paying basis in two or three years, Col. O. F. Olson, manager of the line said today.

Some 20,000 tons of freight will be handled this summer from Seward to Palmer for the new settlers on the agricultural project there. The shipments are expected to be only the start of a steady stream of supplies to be shipped from the states for about 900 members of the 200 families to be placed in the valley.

Since the start of standard service in June, 1933, the railroad, operated by the department of the interior, has lost money each year, the largest deficit being \$1,800,000. However, this was cut to \$140,000 in the last fiscal year.

In addition to the freight business an increased number of tourists is expected because of the attention centered on Alaska by the colonization.

Convict Admits Stabbing Negro; Claims Defense

FOLSOM PRISON, Calif., May 17.—(AP)—Jose Rosales, 26-year-old robbery convict from Santa Barbara, tonight admitted, prison officials said, the fatal stabbing of Jerome R. Perry, 24, Los Angeles negro. He claimed self defense.

The attack occurred with such swiftness, as nearly 900 convicts were lining up to leave their work in the quarry, that guards at first were baffled. When they reached the scene they found Perry dying, but no trace of his assailant or the fatal weapon.

The officials said Rosales freely admitted stabbing Perry through the heart with a pen-knife, but claimed the negro had picked up a club and "swung" at him. The two men and several others had been playing a game of "catch" with a baseball.

Sawdust For Fuel is Becoming Scarce and Building Falling Off

No Indication of Progress Seen; Strikers Say It's Up to Employers to Negotiate, Individually or in Groups

PORTLAND, Ore., May 17.—(AP)—In the face of an apparent breakdown in negotiations for settlement of the lumber strike that has jolted 40,000 Pacific northwest workers off the payrolls, Mr. and Mrs. J. Public were beginning to feel the pinch today.

There was no indication whatever that any progress was being made to break the deadlock in which mill and camp owners and union leaders have become involved.

One spokesman for labor said here today he could foresee no solution until employers, either individually or in a group, "enter into active negotiations with the union."

As a result of the disagreement between workers and employers in the lumber industry, the public is beginning to feel the effect of the strike. A shortage of sawdust fuel and slabwood in Portland became apparent. No one knew where the necessary supplies were to be had.

A full sized congressional storm had sprung up to trouble Harry L. Hopkins, the progress division head, in his work of drafting wage recommendations for the president. One of these called for a thirty per cent reduction over prevailing pay, but he had alternate proposals under consideration, too.

Will Sign Orders Early Next Week

While Hopkins was working on his recommendations, President Roosevelt said at his regular press conference that he would sign the orders early next week which will formally distribute to the works agencies the billion dollars of allotments approved by the allotment board yesterday.

Pending a decision on wages and hours, however, none of these agencies could actually put the money into operation. In many cases contracts had to be drawn up and these specifications had to be filed.

July 1 had been fixed as the approximate work starting date, but the president said recently he did not expect the program to be in full swing before mid-November.

Highway and rivers and harbors projects were said to be the first that will actually get under way.

RECLAMATION PLAN WILL BE REVEALED

WASHINGTON, May 17.—(AP)—Dr. Elwood Mead, commissioner of reclamation, will be asked by senators from 11 western states to make a detailed report on his proposed reclamation and irrigation program under the new public works program.

"We hope to get detailed information on the program contemplated by the bureau of reclamation," said Senator Pope (D-Idaho), "so that we can aid in straightening out states programs accordingly."

Some of the bureau's recommendations already have become public, including the recommendation of \$70,000,000 for the Grand Coulee project in Washington state, interpreted as meaning the bureau favored a high dam there, \$6,000,000 for the Roza project in southeastern Washington, the Owyhee, Burnt river, Deschutes river and Vale projects in Oregon, and the Black Canyon and upper Snake river developments in Idaho.

POMBO IS DELAYED

MADRID, May 17.—(AP)—Radio reports tonight said Juan Ignacio Pombo, young Spaniard who is flying to Mexico by stages, landed this afternoon at Port-Etienne, Mauritania, Africa, on a hop to Barbhurst, Gambia, because of bad weather.

PICKFORD RETURNS TO STAGE, SEATTLE

SEATTLE, May 17.—(AP)—Preparing to return Monday night to her first love, the full length drama, "America's sweetheart," was due here with her company by train late this afternoon.

She will open at the Metropolitan theatre for a week's engagement, to be followed by appearances at other coast cities, including San Francisco, Vancouver, B. C., and Portland, under the management of Henry Duffy. "Our Mary" hasn't appeared on the legitimate stage except for brief sketches since she last appeared as David Belasco's "The Good Little Devil," when she was 16.

Nationwide EPIC Campaign Is Threatened by Sinclair

LOS ANGELES, May 17.—(AP)—Unless President Roosevelt puts forth a national program of production for use, the End Poverty League, Inc., will enter a presidential candidate against him in the 1936 democratic primaries in all states of the nation, Upton Sinclair, a state convention of his "end poverty in California" followers today.

Speaking before a vociferously cheering crowd reminiscent of the democratic race for governor, Sinclair also criticized tax policies of Governor Frank F. Merriam and declared "the recall movement against him will start in earnest on July 5."

"President Roosevelt told me last September that by Oct. 1, he would come out for production for use, but he did not for some reason," Sinclair said. "If he comes out for such a program before the 1936 primaries, he will be our candidate.

"If he fails his promise, the

BILLION RELIEF FUNDS READY; WAGE ISSUE UP

Works Program Set to Go, But Congress Raises New Questions

July 1 Set as Approximate Starting Date; Hopkins Works on Details

WASHINGTON, May 17.—(AP)—President Roosevelt prepared today to pour a billion dollars into the tills of a dozen works agencies where it will stay until administration chieftains can decide what wages shall be paid workers and under what conditions they shall labor.

In the absence of these regulations, the plight of these agencies was described in some quarters as much like that of a company of soldiers, lined up fully equipped before their quarters, but minus orders for the day and uncertain whether, and in which direction, to march, or what pace to set.

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DEMOCRACY FAILS SAYS SIR J. STAMP

BERKELEY, Calif., May 17.—(AP)—Democracy has failed to have "everywhere failed to make good its promise" by Sir Josiah Stamp, scholar and executive director of the Bank of England.

"It might be saved by such education but, if it is not, it will at least have died fighting," Sir Josiah asserted.

Democracy was termed a "victim of demagoguery" by the speaker, who declared that under it political office holders were away and by mass prejudice rather than by counsel of experts.

"Another fallacy," he added, "is the idea that the ballot box will distill wisdom or common purpose. The pitfalls of democracy, from which he said sound education "can alone rise superior to the temptation of the speaker's words."

"The spoon-fed, the safety-first, the 'for-tomorrow-we-die' cocktail of today; the flashy education, the contempt of the responsibilities of citizenship, the false emphasis of nationalism, the crazy notions of trade and money..."

TANKER OPERATORS NOT TO ARBITRATE

SAN FRANCISCO, May 17.—(AP)—Pacific coast oil tanker operators flatly declined tonight to consent to arbitration of the prolonged strike of tank ship sailors by a new board appointed by Secretary of Labor Perkins.

"There is nothing now to arbitrate," the operators declared in a statement to Mayor Angelo J. Rossi of San Francisco, who had asked their reaction to the secretary's proposal for arbitration of all issues.

"It continues only fictitiously in the constantly reiterated false assertion of the unions that they were denied collective bargaining when, in reality, they had collective bargaining and arbitration within the terms of last summer's agreements and themselves discarded both and resorted to the strike."

World News at a Glance

(By The Associated Press.)

Domestic

Washington.—President Roosevelt endorses Morgenthau's proposal for government ownership of federal reserve bank stock.

Washington.—NRA bill reaches White House; president will deliver veto message to congress in person.

Los Angeles.—Upton Sinclair says E.P.I.C. party may have 1936 presidential candidate; criticizes New Deal.

Washington.—New work relief projects held up while Hopkins works out regulations governing wages and hours.

St. Paul.—Barker and Berg, leaders in \$200,000 Bremer kidnap plot, sentenced to life in prison; three others convicted.

Washington.—House democratic leaders say final decision on NRA powers up to president.

Washington.—Senate finance committee approves Roosevelt social security bill.

Washington.—Riechberg says he wants to quit NRA by July 1 to return to private law practice.

Treasury officials disclose U. S. has been secretly gathering monetary information in Europe.

Berlin.—Germany perfects new "vest pocket" torpedo boat; 450 already constructed, naval experts say.

Kaunas, Lithuania.—Supreme court upholds sentences of four nazis condemned to be shot for Memei plot.

London.—Great Britain and France will insist on right to advise Italy in Ethiopian controversy, authoritative sources reveal.

Berlin.—Catholic nun gets five-year sentence for violating Germany's foreign exchange restrictions; 50 more face trial.

Vienna.—Reports say Austrian government on verge of vital changes.

HIGHWAY BOOSTERS GATHER AT EUGENE

Recognition of Main Route Through Valley Sought; Salem Men Attend

Attending a Pacific highway booster meeting at Eugene early yesterday afternoon from Salem were J. N. Chambers, chairman of the chamber of commerce highway committee, T. M. Hicks and Harry Crain. About 60 persons representing the main Pacific highway towns were at the luncheon session and at the discussion meeting which followed at the Eugene chamber of commerce.

The cities along the highway are reorganizing to present a united front to appear before the state highway commission with facts and figures to gain improvements and straightening of the Pacific highway in Oregon south of Eugene.

The best available figures indicate about 70 per cent of the road funds in the state come from the population massed along this main highway route which annually carries several times the traffic of any other route in the state. Because of the heavier travel along this route and the reopening of tourist travel on a larger scale than for several seasons, Pacific highway boosters feel it is an auspicious time to get behind a move to urge a better condition of the highway in the southern part of the state.

WILL TRY LAMSON AGAIN IS DECISION

SAN JOSE, Calif., May 17.—(AP)—The state, twice thwarted in its attempt to hang David A. Lamson as a wife-murderer, elected today to bring him to trial for a third time.

At the same time, the former Stanislaus university publishing house official accepted the prosecution's decision with complacency and predicted he would be acquitted.

Setting of the date for the trial was postponed to next Friday at a brief court session during which the 23-year-old defendant spoke but one word.

"Certainly," he said in response to requests by Superior Judge R. K. Syer as to whether the postponement met with his approval.

STILL TIGHTER BANK CONTROL NOW PROPOSED

Government Ownership of Federal Reserve Stock Morganthau Scheme

Has Roosevelt Support, is Announcement; Solution of Problems Claimed

WASHINGTON, May 17.—(AP)—A proposal by Secretary Morgenthau for government ownership of the stock of the 12 Federal Reserve banks—further centralizing banking control in Washington—today drew a quick endorsement from President Roosevelt.

The treasury secretary, testifying before a senate committee on the omnibus banking bill, added to this proposal a suggestion that the federal reserve board be given full power to control the flow of currency and credit, free from political influence.

His idea, said Morgenthau, was to have a reserve board patterned after the supreme court, independent of the president except that the executive should retain the appointive power.

Mr. Roosevelt, at his press conference a few hours later, was asked about the treasury chief's proposal for government ownership of reserve bank stock. Quickly, he replied that the plan certainly would solve a great many questions. He did not amplify this statement, one of his first on any detail connected with the omnibus banking bill.

This specific proposal, however, was not incorporated in the omnibus bill as passed by the house and sent to the senate. Representative Cross (D-Tex.) proposed in the house that the treasury be authorized to buy the \$146,000,000 in Federal Reserve bank stock now held by reserve member banks, but the amendment was defeated.

MODIFYING OF NRA UP TO ROOSEVELT

WASHINGTON, May 17.—(AP)—An intention to put directly up to President Roosevelt the final decision on what powers should be given to an executive NRA was disclosed today by house democratic leaders.

They made clear that they intended no criticism of Donald R. Riechberg, NRA chief, in declining to accept as final the new-point program which he, the president, and the NRA board agreed upon.

But that program, some contended, would continue many powers which now are the center of criticism. The general attitude of house ways and means committee was that the severest point program would have been modified if NRA were extended at all.

Therefore, they said that after modifications in that program were agreed to by the committee, the bill would be put before the president for his approval.

Chairman Doughton (D-NC) of the ways and means committee did not express it exactly that way, but he did say:

"We are going to consider Mr. Riechberg's suggestions along with those of other persons. As usual, there may be some changes. And then if the president wants to talk with us about the bill, why we'll go down to see him."

EARTHQUAKES VIOLENT

ISTANBUL, May 17.—(AP)—Fresh violent earth shocks occurred today at Kars, in the Dingsong area, terrifying the population. Many persons evacuated their homes and camped out in the fields.

BERLIN, May 17.—(AP)—Nazi justice moved swiftly and sternly today by sentencing the first of more than 50 nuns on trial for violation of Germany's rigid foreign exchange restrictions to five years imprisonment.

In addition, the defendant, Sister Werner, secretary of the Vincentine order of Roman Catholic nuns at Cologne, was ordered to pay a fine of 140,000 marks (about \$37,000) or spend an additional 14 months in a cell.

Distinctive Residence to Be Erected by L. V. Benson

Excavation is nearing completion at the northwest corner of Rural avenue and East Nob Hill street for one of the most distinctive residences structures to be built here in several years.

The owner, L. V. Benson, proprietor of the Benson Baking company yesterday consented to reveal some of his plans for the new house, which his family will occupy.

The structure will cost approximately \$9000, he said. Of English design, it will be two stories high and have seven master rooms. In addition there will be a large basement "rumpus" room with electric fireplace, a laundry room, kitchenette, separate bathrooms with showers for two of the three bedrooms, and a first floor bathroom. Extensive use of tilework will be made.

Among the innovations in the interior will be in the room set aside for Mr. and Mrs. Benson's two sons, bunks set in the wall with closet space beneath; in the kitchen, a "breakfast bar." This

Roosevelt to Appear Before Congress and Defend Veto of Bonus

Kellaher Sends Resignation as Parole Officer

Will Break Precedent Hoping to Prevent Inflation Move

Opponents of Patman Scheme Jubilant; Sense Victory

WASHINGTON, May 17.—(AP)—President Roosevelt decided today to go in person before congress to urge that it sustain his veto of the bonus bill.

His plan to make the unprecedented personal veto appeal was outlined to reporters at his regular press conference a few minutes after the inflationary Patman bill to pay the bonus with \$2,200,000,000 in new currency had reached the White House.

Already Mr. Roosevelt had started writing his bonus veto message. He promised to make it strong. And, he added with apparent feeling:

"I hope with all my heart the veto will be sustained." "The word that he was going to Capitol Hill to deliver the message in person caught congressional leaders unaware. They set immediately about arranging for the joint session of the house and senate before which the President will appear, probably Monday.

No Precedent Seen

For Such Appeal

A quick thumbing of Washington precedents by veteran attachés of the White House and capitol could find no record of any other President having gone before congress to urge that it sustain him in a veto.

Word of the President's plans immediately bolstered the hopes of antagonists of the bonus measure that they would be able to hold fast the administration lines and sustain the veto. It requires a two thirds vote of both houses to override a presidential objection.

Bonus advocates appeared surprised at the move. They met yesterday to let the measure come to the White House today, some of them expressing the belief that they had sufficient strength to override the veto, although conceding the vote would be close.

TINY SPEED BOATS NEW REICH THREAT

(Copyright, 1935, by Associated Press.)

BERLIN, May 17.—Re-arming Germany's newest naval weapon—swift, deadly "vest pocket" torpedo boats as revolutionary as her "vest pocket" battleships—was revealed today.

Foreign naval experts stationed here said the reich, moving swiftly, already has constructed 450 tiny, deadly, capable of 40 knots each, and manned by five men and carrying four torpedoes.

A second, similar development, the experts said, is another speed boat twice as large, carrying ten men and having an operating range of almost 2,000 miles.

Naval observers here, asserting the new baby men-of-war would give other powers as much food for thought as the reich's recently disclosed plans to build 250-ton submarines, listed these major advantages of the craft:

1. Their cost is little and their operation economical.
2. Their crew is small; at the worst, only five lives are lost.
3. Their dramatic smallness can change direction so fast they would be hard to hit.
4. Their four torpedoes, with any kind of luck, can do terrific damage to enemy ships. In any case, the "water bugs" could worry and nettie an enemy.

Late Sports

PORTLAND, Ore., May 17.—(AP)—Baby Joe Gans, 152, Los Angeles, after the smaller, announced that the 10-round fight is no worry to him as he gave Paul Karch, 152, Portland, a severe trouncing.

The fight was a re-match of a former six-rounder Gans won. The dramatic smallness of the program was supplied by Al Spina, 122, Portland, who fought by far the best fight of his career in a torrid, blistering six-round match with Mickey Beal, 123, Los Angeles. Spina scored a seven-point knockdown the first round and although pressed throughout, held the edge and won the nod.

Paul Stewart, 160, Los Angeles, knocked out Cannon Ball Connors, 158, Twin Falls, Idaho, in the second round of their scheduled six-rounder. Charley Roper, 147, Los Angeles, out-pointed Mickey Barker, 146, Portland.