

COLORED COMICS  
Today's Statesman offers you four full pages of comics, two in color; a feature of each Sunday issue of this paper.

# The Oregon Statesman

FOUNDED 1851

THE WEATHER  
Fair today and Monday, warmer with falling humidity; Max. Temp. Saturday 74, Min. 53, river 1 foot, overcast, westerly wind.

EIGHTY-FIFTH YEAR

Salem, Oregon, Sunday Morning, June 23, 1935

No. 76

## TREASURY HAS NEW PLAN FOR AIDING CITIES

### Issuance of Notes Against Levied but Uncollected Taxes Proposed

### Would Pay Warrants; Early Report on Capitol Site Awaited by Martin

By SHELDON F. SACKETT  
So successful have a score of Oregon cities been in their bond refunding programs this year, the state treasury department is working out another program for debt readjustments to present to the special session of the legislature. In the new program, cities and counties would be allowed to issue one-year notes, secured by levied but uncollected taxes, and with these notes could retire outstanding warrant indebtedness, much of which bears six per cent interest.

It was the treasury department which paved the way for the refunding program of the last few months by writing acts for the 1935 session which permitted cities to call Bancroft bonds bearing six per cent interest and in their place to issue 10-year refunding bonds at the market. As a result of this act, many cities—Salem is the best example—have made interest savings ranging from 1 1/2 per cent to 2 1/2 per cent on outstanding bonds.

Another enactment put through the legislature by the state treasury enabled school districts to issue general obligation notes, up to one year's maturity, and with the proceeds therefrom to take up outstanding warrants. The Salem school board did this, issuing \$100,000 as a general note which was sold for 1 1/2 per cent interest.

From the experience of the school districts, the treasury has worked out its new plan for counties and cities. Since an additional debt is not created—because Oregon courts have held obligations issued against taxes levied and not collected are not debts under the constitutional debt limitation—the legislature will be asked to authorize counties and cities to use the privilege of note issue now possessed alone by the school districts. Immediate reduction in interest is expected by the cities and counties since notes can be sold to banks at rates comparable to those prevailing on other short-time securities. Whereas warrants have no due date, are frequently issued in small denominations and necessitate considerable handling charge, a city's or a county's notes are bankable paper, eligible for rediscount.

The treasury is making its plans because it wishes, first, to give Oregon subdivisions the advantages of low interest rates now prevailing; second, to obtain investment funds for Oregon cities, counties and school districts which are estopped from purchase of warrants, and third, to loosen large quantities of purchasing power tied up in the warrants of sub-divisions in the state.

Until copies of the old-age pension act, as finally approved by congress, can be studied by Governor Martin, he will not be certain whether or not he will present the old-age pension matter to the special session. "The Oregon act passed in 1935 is sufficiently complete for persons to whom 70 years or over; funds and machinery for distribution are there provided. No provision is made for pensions for persons between 65 and 70 years old. Some state officials think the \$1,000,000 set up for unemployable relief through the counties might be used for these pension payments; others say that the legislature must declare, as a matter of law, that persons 65 years of age are eligible for pensions before any disbursement can be made.

### Loganberry Minimum Price Three Cents, Decided Here

A minimum price of three cents a pound, paid to the grower, was announced late yesterday for all loganberries sold in Oregon under provisions of the Oregon loganberry growers' code, now effective. The control board, in making its announcement, said the price would apply to the customary place of delivery for the grower. A deduction of 75 cents a ton on loganberries was authorized by the canner of processor by the control board, the funds thereby received going to the board of its operation expense.

The price is effective on all growers, irrespective of whether or not they have assented to the code. William J. Linfoot, counsel for the control board, said yesterday. He declared that all cooperative processors of loganberries, save one, had assented to the code and by far the majority of growers.

"Reports are out that the unfavorable NRA decision has invalidated the Oregon agricultural adjustment act," Linfoot said.

## They'll Carry Important Roles in Methodist Session Here This Week



Upper left, Bishop Titus Lowe, resident presiding bishop of the Methodist Episcopal church who will preside at the Oregon Annual Conference when its 88th session opens here Tuesday. Upper right, Dr. Clarence True Wilson, Washington, D. C., secretary of the board of temperance and moral reform, who will speak Wednesday night at 7:30 o'clock. Below, Dr. James E. Milligan, host pastor of the First Methodist Episcopal church here.

## JOBS GO BEGGING IN TWO DISTRICTS

### CCC Quotas Unfilled; Picking Opportunity Fails to Attract

VANCOUVER, Wash., June 22.—(AP)—The now strange cry of "workmen wanted" was raised today at CCC headquarters for the Vancouver barracks district of Washington and Oregon.

For the first time since the establishment of the civilian conservation corps Uncle Sam is having difficulty finding volunteers to enroll for six months' labor in Oregon and Washington camps at \$30 per month and room and board.

Young men between 17 and 28 years of age whose families are on the relief rolls are sought.

### Fair and Raney Goat Rescuers

PORTLAND, June 22.—(AP)—Police Officers Fair and Raney today planted their feet firmly on solid ground and rescued a "stuffed" goat from a steep railroad cut.

The goat was stranded several feet down the cliff, unable to clamber back up and in danger of slipping and being hanged from its chain.

The chain tightened, but it was from the rescuing pull of the officers who were careful not to wander too close to the brink.

## CONFERENCE OF METHODISTS TO START TUESDAY

### Over 150 Ministers, Many Laymen Will Come for Annual Sessions

### Noted Speakers Scheduled; First Church is Host at 83d Session

More than 150 ministers, from the pulpits of the Methodist churches in Oregon, will be gathered in Salem by Tuesday night for organization of the 83d session of the Oregon annual conference of the Methodist Episcopal church.

The visitors will start gathering late Monday, with conference examinations slated to begin at 9 o'clock Tuesday morning.

Bishop Titus Lowe will preside over the conference sessions, all of which will be held in the First Methodist church. All committee meetings will be held in Eaton hall on the Willamette university campus, and meeting of the lay conference, which will bring 150 lay delegates to Salem for three days starting Thursday afternoon, will be held at the Willamette university chapel. Friday the laymen will meet jointly with the ministers with a united session also scheduled for Saturday morning.

Prominent Speakers Will Be Heard Here  
Visiting speakers for the conference will be Dr. Clarence True Wilson of Washington, D. C., secretary of the board of temperance and moral reform, who will give an address Wednesday at 7:30 p. m.; Dr. E. D. Kohlstadt, secretary of the board of home missions and church extension whose address is slated for Saturday night; Dr. King D. Beach, pastor of the First Methodist church, Tacoma, whose address, "Ways in Which the Laymen Can Help the Preacher," is slated for Friday at 8 p. m.; Rev. W. W. Bell, missionary to Lucknow, India, who will speak Thursday at 7:30 p. m.; and Dr. Bruce Baxter, president of Willamette university, speaking Thursday at 2:30 p. m.

The complete program for the opening day follows:

9 a. m.—Conference examinations at Willamette university, Rev. D. Lester Fields, chairman (Turn to page 2, col. 4)

## 'G-WOMEN' LIKELY IF CORPS EXPANDS

WASHINGTON, June 22.—(AP)—Although there are no "G-women" in the federal bureau of investigation, Director J. Edgar Hoover today said this was possible if the present field force of 600 investigators "ever is expanded to 1500 or 2000 operators."

As to the ancient axiom that women cannot keep a secret—important in present operations of the "G-men"—the bachelor director insisted "that has nothing to do with it."

"We now have a comparatively small, militant force that must move to every part of the country in every strata of life on almost 'instant notice,'" Hoover said. "That's why we had to use all men."

"So far as integrity and ability are concerned there is not a minute's doubt that women could qualify as agents. Certain women probably could learn to fire a gun."

"But no one would ask a woman to mix with persons involved in a typical white slave case or try to subdue some hoodlum in a race track crowd."

"Actually," Hoover said, "women play an important part in the solution of every case the bureau has handled."

"Most of the 1500 employees here in Washington are women, and they also serve in the 37 bureaus in cities as secretaries and stenographers," he added.

## GUARDS PLACED ON ROADS TO EUREKA

EUREKA, Calif., June 22.—(AP)—In a move they said was intended to prevent a recurrence of yesterday's bloody lumber strike fighting here, authorities today placed guards on highways and other entrances into the community.

All itinerants suspected of being radicals were turned back by the guards on orders from Chief of Police George Littlefield, who said he feared that unless such action were taken more fighting would break out.

Every effort was being made, Chief Littlefield said, to rid the community of radicals he claimed had flocked here in the last few weeks.

## Demo Revolt At New Deal Ideas Feared

### (Copyright, 1935, by Associated Press) WASHINGTON, June 22.—(AP)—New signs of undercover dissatisfaction with several new deal measures arose today, leading some congressional chiefs privately to express fears of a major uprising in democratic ranks unless the session ends soon or different tactics are adopted.

Concrete evidence of the discontent included were:

1. Fourteen of the 22 senators who signed the petition for action before adjournment on share-the-wealth taxes were demoralized, some of whom expressed "off-the-record" fears that the president's advocacy of the taxes might have been only a political move.

2. Disclosure that an actual majority of house members had opposed the "father labor" dis-

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## EARLY TAX ACTION PLEA OF ROBINSON

### Would Settle Question to Relieve Uncertainty of Business Men

WASHINGTON, June 22.—(AP)—To avoid putting business under a cloud of "uncertainty" for the long interim between this and the next session of congress, Senator Robinson, the democratic leader, today advocated enactment of President Roosevelt's new tax-the-rich proposals now, even though it prolonged the session indefinitely.

This pronouncement, coming as somewhat of a surprise, was delivered to newspapermen after a brief Saturday session in which Senator Long (D-La.) challenged the President to push a bill immediately to "break up concentration."

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## DEATH PENALTY IS ASKED FOR SLAYER

PEORIA, Ill., June 22.—(AP)—State's Attorney E. W. Champion tonight said he would seek quick trial and the death penalty for Gerald Thompson, 25, who confessed to police the brutal cemetery slaying of Mildred Hallmark, 19, pretty and popular cafe hostess.

Thompson, arrested last night on suspicion but without any evidence then that he was implicated in the ravishing and slaying of the young woman last Saturday night, fended all queries at first but finally confessed. Acting Chief of Police Fred Nussbaum said, when he was trapped by a lie detector and his diary.

"Yes—I did it—I'll tell," he sobbed, detectives said.

His diary, they added, recorded 16 other assaults on Peoria girls, all chosen because they would not prosecute for fear of publicity.

Thompson was secretly removed to Bloomington to be held there until resentment against him here dies down.

Police said that during the investigation into the slaying, Thompson along with other fellow workers of Miss Hallmark's father at the tractor plant, signed a pact vowing vengeance for her death. They said, however, that the other workers noticed he refrained from participation in offers of rewards for the slayer's apprehension.

## PROTECTION NEEDED CITED AT TACOMA

OLYMPIA, Wash., June 22.—(AP)—Unless the state can promise additional protection for workers Tacoma mill operators will not feel justified in continuing efforts to operate their plants Monday, a group of Tacoma mill men told Governor Clarence D. Martin, here today.

Twenty-five mill operators, representing not only Tacoma but also Seattle, Grays Harbor points and Vancouver, made an impressive appeal to the governor, pointing out the imperative need for additional protection against the lawlessness which has developed in the lumber strike, particularly in Tacoma since efforts to resume operations at a number of mills started Friday.

The governor was told that the issue in Tacoma is not one of unionism vs. nonunionism but had developed into one of constituted authority vs. lawlessness. Governor Martin listened gravely to the appeal and the presentation of supporting evidence but declared he would need a little time to consider the matter. He promised the delegation, however, he would give its appeal immediate and very earnest attention.

E. J. FROHMAN DIES  
PORTLAND, Ore., June 22.—(AP)—Edwin James Frohman, 52, owner of a Portland hat factory and investment company, died here tonight from an attack of pneumonia.

## MANY WILL BID ON CITY BONDS TO BUY WATER

### Almost Nationwide Interest Shown in Purchase of Salem Securities

### Filing of Stipulation Ends Litigation, and Final Transfer Imminent

An exceptionally large number of bids will be received by the city council Monday night on the \$1,100,000 worth of water bonds to be sold, as a result of the filing in federal court yesterday of the stipulation providing for the transfer of the water system here from the Oregon-Washington Water Service company to the City of Salem, city officials believed. In the almost nationwide interest shown in the issue they saw sale of the bonds at a favorably low interest rate assured.

Numerous telegrams came to Mayor V. E. Kuhn and City Attorney Chris J. Kozits relative to the water bonds and the city officials in turn telegraphed notice to prospective bidders that the stipulation, clearing the way for immediate use of the proceeds of the bond sale, had been filed.

The city attorney said it doubtless would be found all of the bonds could be sold at an interest rate averaging less than five per cent. Split bids, with low rates on the shorter and higher on the longer term bonds, were anticipated.

Selection of Best Bid Lengthy Task  
Fred Paulus, deputy state treasurer, was expected to attend the special meeting Monday night to assist the aldermen in selecting the most favorable bid. It is expected the task would require two hours or more.

The condemnation suit which was started against the water company more than a year ago ended with filing of the stipulation. The final act will be the handing down by Federal Judge James Alger Foe of an interlocutory decree and judgment, setting forth the terms of purchase of the system by the city.

Transfer of the plant including all property and supplies but excluding cash on hand, deposits 19, pretty and popular cafe hostess.

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## CITY OF FLORENCE HAS HARBOR HOPES

PORTLAND, Ore., June 22.—(AP)—Citizens of Florence, Ore., and the Siuslaw valley, boasting their greatest period of prosperity in a decade, are eyeing the possibilities of building a seaport at their town.

United States engineers have been petitioned to dredge away a dangerous shoal from the entrance to their river. Already they have obtained from a lighthouse service a promise of a series of day navigation ranges to guide ships into the harbor.

Captain Benjamin H. Inman, nephew of the late lumber king, unofficial bar pilot, ex-army flier, and now longshoreman and community booster, was in Portland recently conferring with United States engineers, lighthouse officials and others.

The little 148-foot Bertie M. Hanlon already has made three trips into Florence this summer, bringing sugar and manufactures from San Francisco for Eugene and the surrounding country, and loading out full cargoes of lumber.

"We have enough lumber lined up to keep the Bertie busy for the rest of the year, and we can promise Eugene freight rate reductions of more than \$1 a ton," Captain Inman said.

Portland, Ore., June 22.—(AP)—Joseph J. Osbourne, former special policeman of Portland, today asked the state to finance an appeal of his murder conviction to the supreme court.

## Mrs. Waley is Forced to Trial Despite Her Pleas

TACOMA, June 22.—(AP)—Sad-faced, red-eyed from weeping, 19-year-old Mrs. Margaret Thulin Waley sat in a cheerless cell in Olympia tonight awaiting Federal Judge E. E. Cushman's decision Monday as to when she must face a jury and demand acquittal of kidnapping and conspiring to kidnap George Weyerhaeuser, 9.

Three times in three days she sought, against the efforts of her husband, Harmon M. Waley, to admit her guilt and accept the felon's plea. Judge Waley accepted when he branded guilty yesterday and received a 45-year sentence.

And three times in three days Judge Cushman refused to accept her plea, finally entering a not guilty plea for her, on her attorney's statement that she could not be guilty. The attorney, Stephen J. O'Brien, demanded that she go through the fanfare, the drama, the hurly burly, publicity, expense and delay of a regular trial.

Today's procure placed the girl in the position of resisting efforts to prove her innocent. She wept when they said she had to stand trial.

## PEACE PROPOSAL IS MADE ON EVE OF MILL OPENING

### Fifty-Cent Wage Minimum, 40-Hour Week Among Offers of Sawmill Owners; Operators Declare Themselves Willing to Meet Representatives of Any Group of Employees to Negotiate Terms

### Abe Muir, Unions' Representative, Comments on Plan Favorably; Reveals Strenuous Efforts to Arrive at Agreement Before Opening; Return of All Men Who Previously Had Jobs, Assured

PORTLAND, Ore., June 22.—(AP)—After police protection had been secured for a mass reopening Monday, Portland sawmill owners tonight offered a peace plan to end a strike involving 2500 lumber workers here.

The plan met immediate favorable comment from Abe W. Muir, chief spokesman of the striking Sawmill and Timber Workers' union, an American Federation of Labor affiliate. The plan included a 50-cent common labor minimum wage, or an increase of five cents per hour with adjustments in the higher brackets, and a promise to deal with plant employee committees in bargaining over conditions.

At a meeting tonight the employers drafted the proposal, terms of which will be posted at their plants Monday morning.

"To our sawmill employees—we are resuming operations on the following plan:

"1. 40-hour week.  
"2. 50 cents per hour for common labor; adjustments in high brackets.  
"3. All employees working at the time of shut-down shall be taken back without discrimination.  
"4. Willingness on the part of the operator to meet with any of his employees, or committees thereof, for the purpose of bargaining for the men they represent, covering wages, hours or working conditions applying to his plant.

The notices will be on display at eight companies' plants.

"Favorable comment on the employers' gesture was forthcoming from Abe W. Muir, executive vice-president of the Brotherhood of Carpenters and Joiners, key union man, who said:

"For the past 48 hours both union representatives and leading executive among the employers in the Portland area have been doing everything possible to come to terms of settlement that would assure the establishment of a standard wage scales both as to operations in Portland and in the Douglas fir industry at large.

"The resumption of operations at the earliest possible moment with the assurance that all men employed at the time of the suspension of operations will be re-employed without discriminations goes a long way to promote harmony.

"The establishment of committees representing the employees and the recognition of these committees will assure employees of justice and fair treatment."

## Profit System Is Deplored at M. E. Gathering

MOSCOW, Idaho, June 22.—(AP)—The profit motive and competition in the existing economic system were condemned, in a resolution passed today by the Pacific Northwest Methodist Episcopal conference, as making Christianity "an absurdity and unworkable."

A resolution charging news reels with glorifying war in pictures of naval maneuvers and graduation exercises of military and naval academies evoked such sharp debate from the floor it was referred to a special committee for further consideration.

## Holding Company 'Death Sentence' It Taken from Bill

WASHINGTON, June 22.—(AP)—The house commerce committee today by 15 to 0 approved a holding company "death sentence" and even of taxes on holding company dividends.

Despite President Roosevelt's insistence upon death for "unnecessary" holding companies, the committee which had been tied up for months over the controversial measure refused to agree to that course. The senate already has passed a measure calling for abolition by 1942 of holding companies not necessary and not directly above operating power companies.

Owen P. Hughes, assistant district attorney, immediately had that indictment reinstated, and announced that he will move to have it consolidated with the kidnapping and conspiracy indictment for trial.

His chief district attorney, J. Charles Dennis, said Mrs. Waley (Turn to page 12, col. 8)