

Don't Miss It!
Off the press Friday—
The Oregon Statesman's
Willamette Valley Progress
edition, replete with photos
of Salem homes, industries...

Friend Says Ransom Payment Impends

Deal for Return of Abducted Lad Said Definitely Started

Mattson Family Friend Avers \$28,000 May Be Paid Within 12 Hours; Aid Offered From Many Sources

Truce Called by G-Men Opens Way For Negotiation, Holds; Want Ad in Seattle Paper Is Eyed

TACOMA, Dec. 29—(AP)—A friend of the W. W. Mattson family revealed tonight negotiations for the return of Charles Mattson, 10, are "definitely under way" and payment of the \$28,000 ransom will likely be made within 12 hours.

The friend refused to allow his name to be used. He said the "truce" called by department of justice agents searching for the boy stolen from his home Sunday night had opened the way for negotiations between the family and the abductor.

Dr. W. W. Mattson, father of Charles, was reported ready to pay the \$28,000 ransom demand "in his own way" after refusing dozens of offers of financial aid. The family friend said Dr. Mattson lacked any such amount of cash when Charles was stolen but had managed to obtain it since Sunday.

G-Man Leads Dual Life to Get Man

MIAMI, Fla., Dec. 29—(AP)—A secret service agent who worked in the fire department by day and operated a gambling game by night climaxed a year of undercover sleuthing today by bringing a suspected counterfeiter into court.

Agent George Newman's dual existence was disclosed at a hearing for a man booked as Romeo De Franco, 48, of New York, on a charge of possessing \$21,000 in bogus \$20 notes. De Franco was held to the federal grand jury in \$25,000 bail.

Mountain Woman Avenges Slaying

JACKSON, Ky., Dec. 29—(AP)—A mountain woman avenged the slaying of her son in Breathitt county courtroom today in a burst of fire that killed the accused slayer and wounded two spectators.

The pistol shots came at the opening of court where in the old days many men were tried for feud killings. The shots fatally wounded John A. Shepherd, charged with the Christmas Eve shooting of 17-year-old Harvey Gabbard, and sent some 150 spectators pell mell for safety.

Stayton Island Bridge Damaged

High water on the North Santiam river this week undermined one crib pier of the temporary bridge from the mainland to Stayton island but construction of Salem's underground water supply intake will not be delayed by the mishap, Engineer R. E. Koon said yesterday after inspecting the project.

Because of the faulty bridge, it was necessary yesterday to pull a truckload of perforated steel pipe across the river through the water, Koon said.

Approximately 1600 feet of the porous water-collecting pipe has been laid deep in the island gravel. Although Koon estimated a total of 5000 feet would be required, he said the amount needed would not be known definitely until further trench excavation and pipe-laying had been completed.

Farmer Creamery Co-op Rise Told

MCMINNVILLE, Dec. 29—(AP)—More than 1000 persons heard of the rapid four-year growth of the Farmers Union cooperative creamery at the annual meeting in Sheridan today.

Speakers reported the group increased its membership from 65 to 725, manufactured 727,000 pounds of butter, 218,000 pounds of cheese and 609,000 pounds of dry milk. The sales volume totaled \$340,000.

High Court Holds Peaceful Picketing Lawful Activity

The state supreme court yesterday upheld the right of organized labor to picket peacefully regardless of whether or not a strike is in effect at the place picketed. The court reversed Multnomah county circuit judges in two cases on approximately the same issue.

In one opinion the court reversed Judge James W. Crawford of Multnomah county in a suit brought by the George E. Wallace company, A. E. Chevrolet and Wentworth & Irwin, to restrain Mt. Hood Lodge, Local No. 1005, of the Portland Cleaning Works, against the Laundry and Dry Cleaning Workers Local Union No. 101.

The other opinion reversed Judge Hall S. Luak of Multnomah county in a similar suit brought by L. L. Starr, doing business as the Portland Cleaning Works, against the Laundry and Dry Cleaning Workers Local Union No. 101.

In both cases the lower courts issued orders restraining picketing operations. The opinion in the Wallace case was written by Justice Belt with Justice Rand dissenting. Justice Kelly wrote the opinion in the Starr case. Picketing Law Held Constitutional

"Constitutionality of the Oregon picketing law was upheld by Justice Kelly in the suit involving the Portland Cleaning Works. Commenting on the Wallace case, Justice Belt said: "In our opinion the defendants have 'direct or indirect' interests in the terms and conditions of employment regardless of whether or not they stand in the proximate relation of employer and employee."

Safer Airways Projected as Crash Sequel

WASHINGTON, Dec. 29—(AP)—Far-reaching plans for making the airways safer were projected by the commerce department tonight after a series of December crashes brought to 60 the year's death toll on scheduled airlines.

After receiving suggestions for improving safety facilities from Colonel Eddie V. Rickenbacker, the department called for a conference between airline operators and government technicians "to prevent another series" of accidents.

Commerce Bureau Told Safety Facilities in Need of Changes

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Burbank, Calif., Dec. 29—(AP)—An inquest will be held sometime next week "to determine whether there was negligence" in connection with the Sunday night transport crash that killed 12 persons, coroner Frank Nance said today.

Bodies of the victims were brought out today by pack horse and old-fashioned buckboards from the almost inscissible mountain canyon 20 miles north of here where the plane crashed in a storm. The nine passengers and three crew members were found dead in the liner's cabin late yesterday, nearly six hours after the wreckage was sighted.

Portlanders See Steady Snowfall

PORTLAND, Dec. 29—(AP)—A steady snowfall, the first of the winter, descended on Portland tonight, melting quickly in the downtown district.

The motor association reported snow as far east as Cascade Locks, at Medford and on the Siskiyou section of the Pacific highway.

Light flurries drifted down in Estacada in Clackamas county, where water levels dropped to record lows last autumn, saw its wells overflow with the rains of the past few days.

Roseburg Home to Be Placed in Use

ROSEBURG, Dec. 29—(AP)—Senator Charles McNary advised Roseburg officials today the former Oregon state soldiers home will be converted to the use of the United States veterans administration.

Existing veterans' facilities here will be turned over to neuro-psychiatric purposes. The senator said the move met approval of General Frank T. Hines, veterans' bureau administrator.

Quashing of Bank Suit Is Refused

OREGON CITY, Dec. 29—(AP)—Judge Earl C. Latourette denied the defendant's motion for dismissal today in the State Savings and Loan association's suit against the First National bank of Salem.

The association seeks \$30,000 in connection with its lease on the Guardian building at Salem. The plaintiff completed its case today.

Late Sports

PORTLAND, Dec. 29—(AP)—The Oregon Normal school Wolves defeated the Mantle club of Portland tonight, 51 to 40. The Teachers rallied after trailing 23 to 17 at the half.

Fall Kills Crag Rat

HOOD RIVER, ORE., Dec. 29—(AP)—Victor Howell, 20, youngest member of the Crag Rats, an outdoor organization, met instant death this afternoon when he fell down a steep slope and crashed against a tree stump. Howell graduated from Hood River high school last year. He was president of the student body and a star football player.

Young Shipper and Wife Die With 10 Others in Airliner Accident



Edward T. Ford, Jr., son of president of Grace Lines steamship company, and his wife, who died in transport plane crash near Saugus, Calif.; their bodies along with 10 others were retrieved from mountainside wreckage and taken to Saugus by horseback yesterday.

Senator Wallace P. H. Holmes Will New Utility Head

Wallace was born near Sheridan, Arkansas, March 27, 1875, and was admitted to the bar in 1901. He located at Prineville in 1913. From 1917 to 1925 he served as county judge of Crook county. In 1934 he was elected state senator of Deschutes county to fill the vacancy caused by the resignation of Jay H. Upton.

McColloch Resigns From Commissioner's Office to Resume Law Work

Frank C. McColloch, Baker lawyer, will relinquish the state public utilities commissionership effective Friday and N. G. Wallace, Bend state senator, will take his place, Governor Charles G. Martin announced yesterday. McColloch, the executive stated, has resigned in order to resume active law practice in Baker.

Offers Service as Private Citizen

"I will still serve you as a private citizen whenever the occasion demands," McColloch wrote Governor Martin.

Blizzard Maroons Indians, Desert

GALLUP, N. M., Dec. 29—(AP)—A sudden, fierce blizzard, sweeping over the red rocks of eastern Arizona's painted desert, marooned 340 Navajo Indian men, women and children today in an isolated valley west of here.

Officials of the vast Navajo reservation expressed fear of serious consequences if Indian service trucks fail to break more than 25 miles of snow-covered road from Ganado trading post and reach the stranded red men tonight.

Last Day for New Licenses Nearing

Vehicle owners have only two days time in which to obtain their 1937 license plates for cars to be operated on the highways after December 31.

State police have announced that the drive against delinquent vehicle owners would begin Friday morning, January 1.

Records show that approximately 125,000 sets of 1937 license plates were issued up to last night.

There are yet more than 200,000 vehicles to be licensed, Secretary of State Snell estimated yesterday.

Old Age Pensioners Warned To Report Address Changes

Recipients of old age assistance grants who change their address should notify the county relief committee as soon as they move, Glenn C. Niles, secretary of the committee, warned yesterday, or they may find they have no assistance checks at the first of the month.

A number of pensioners who had changed their addresses without notifying the committee found themselves in that situation at the first of the month when the state relief committee conducted a statewide check up to determine the present location of old age grantees. All envelopes bearing old age assistance checks sent out from the state relief committee headquarters in Portland December 1 bore the legend, "If addressee not available at address given, return to senders."

More than 60 persons, this method revealed, had moved since applying for the age assistance, leaving forwarding addresses.

Ohmart Succeeds Lamkin as Clerk

Announcement of the resignation of Walter Lamkin, deputy county clerk since 1925, and circuit court deputy for the last six years, was made at the office of the county clerk yesterday. Lamkin is to engage in the private practice of law. He is opening offices in the Oregon building shortly after January 1.

U. G. Boyer, county clerk, announced that Harlan Judd, at present in charge of the issuance of marriage licenses in the office, will take over the work of the circuit court clerk and that Lee V. Ohmart, for two years deputy in the tax collection department, had been appointed to fill Judd's position.

Artists Given Assignment by Capitol Heads

Four Easterners Picked; Identity Is Withheld Pending Contracts

2 Sculptors and 2 Mural Painters to Outline State's History

PORTLAND, Dec. 29—(AP)—The capitol reconstruction commission today approved selection of two sculptors and two mural painters to complete decorative designs at the new statehouse at Salem.

The identities of the artists will be made known when negotiations for the \$165,000 project are concluded. The commission said all were eastern men.

The commission approved the report of Robert W. Sawyer, Bend, and Dr. E. C. Dalton, St. Helens, members of the commission, who returned from an eastern trip to consult prominent architects and artists.

Concrete Pouring Starts Thursday

Ross B. Hammond, general contractor, agreed to a transfer of \$85,000 from the general contract figure. This will be matched by other funds available for decorative work. Hammond said first concrete would be poured at Salem Thursday.

The largest of the murals will be on the rotunda walls, measuring 19 by 48 feet. The report proposed as muralists the Lewis and Clark expedition at Celilo Falls, Robert Gray entering the Columbia river, Dr. John McLoughlin at Fort Vancouver and the great wagon train of 1843 on the Oregon trail.

Four murals flanking the stairways would represent major Oregon industries. Two at the entrances to the legislative halls would depict formation of the provisional government at Champeau and the ceremony marking admission of the state into the union.

The report called for exterior statues of a covered wagon family preparing a meal and Lewis and Clark with Sacajawea, the Indian woman who guided the expedition.

Sawyer said Secretary Harold Icken, FWA administrator, waived requirements for competitive selection of artists.

Surprise Witness in Oakland Trial

OAKLAND, Calif., Dec. 29—(AP)—A "surprise" witness today identified George Wallace, confessed defendant in the Point Lobos ship-board murder trial, as a man he saw just outside the cabin of Chief Engineer George Alberts the day the officer was killed.

Frank Corrigan, assistant engineer of the ship, who was called as a witness by counsel for three other defendants, said Wallace stood with his hand against the door of the death cabin.

Drunkness Charged to Two Men; Autoist Booked

Frank R. Thomas, Leonard hotel, was arrested by city police last night on a charge of being drunk and a vagrant. Joe L. Blojan, transient, was arrested on a charge of being drunk.

Jack Rouch, 275 North 16th, was arrested on a charge of falling to stop at a stop street.