

Valley News  
With correspondents in 90 Willamette valley communities, The Oregon Statesman presents complete news coverage in its territory.

Weather  
Cloudy with showers today, cloudy Wednesday.  
Max. Temp. Monday 51.  
Min. 38, river 7.9 feet, rain .19 inch, S-SE wind.

## Confessed Kidnaper of Ross Is Captured

### Gold Cache in Hermit's Shack

#### Farrell's View On Flax Hopes Is Challenged

Laws Sends His Figures to McNary to Refute Lugubrious Claim

#### AAA Man's Report Says Industry Unfeasible in This District

Amazement was expressed in Salem over the figures released by George E. Farrell, director of AAA for the western region, as basis for his refusal to continue a subsidy to flax growers. Farrell advised Senator Charles L. McNary that farmers supplying flax to processing cooperatives stood to lose \$16 an acre on the sale of the fiber crop if they received nothing for growing flax. Farrell estimated cost of \$105 an acre or 35c a pound for the fiber. The income he said would be \$75 from the fiber and \$14 from the seed, or \$89, leaving a \$16 deficiency.

L. L. Laws, manager of the state flax industry and member of the state flax board, immediately wrote a letter to Senator McNary challenging Farrell's figures. Based on actual results in growing and in retting and scutching operations at one of the new cooperative plants Laws shows a net of \$22.25 per acre for the grower.

As to the operating costs of the scutching plant Laws has the following figures per ton of flax: Threshing labor ..... \$ 3.32 Retting ..... 3.80 Scutching ..... 5.45 Hacking ..... 2.29

Total labor ..... \$14.86 The overhead cost of operating the plant is \$7200 per year. If the plant is operated at capacity of 1200 tons the cost is \$6 per ton. Actually it has operated at about 50 per cent capacity which increases the overhead cost to \$12 per ton. Laws says that as experience is gained and capacity (Continued on Page 2, Col. 1)

#### Weekend Storms Cause 33 Deaths

LONDON, Jan. 17.—(P)—Debris-strewn floodwaters rose over low-lying farmlands today in the wake of a weekend Atlantic storm that killed 33 persons.

Bodies washed up on the shores of Scotland and Wales told grimly of the sinking of two vessels, the Gian Rhyrd and the Lochabra, presumably with all hands. Both were freighters.

The transatlantic liner Quitania, proceeding at half speed with hundreds of seasick passengers, reported storms most of the way.

Buenos Aires, Jan. 17.—(P)—A strong bromide for "Archibaldo" today enabled the Buenos Aires zoo to reopen.

PHILADELPHIA, Jan. 17.—(P)—Hundreds of city employees went unpaid today because of city council's failure to adopt a budget for 1938—but not the employees of common pleas court No. 6.

VIENNA, Jan. 17.—(P)—Police reported the arrest and subsequent release today of Prince Ernst Von Hohenberg, son of Archduke Franz Ferdinand whose assassination at Sarajevo in 1914 touched off the World war.

### Coin Totaling \$315 Is Found; Officers Force Way in, Brave Shotgun

Relatives Presumed Man Was Penniless, Took Him Food but Never Admitted "Can't Pay the Taxes," Says; Insanity Charged

Soot-coated rooms of a hermit's shack in the Hazel Green district yielded a cache of gold and silver coins amounting to \$315.80 yesterday afternoon when sheriff's deputies went to the place to arrest Gustav Fandrich, about 52, on an insanity warrant. Insanity charges were preferred against Fandrich by a neighbor who asserted he threatened the neighbor's son with a rifle Saturday.

The deputies, B. G. Honeycutt and Paul Marnach, were forced to break through two doors before they could capture Fandrich, who threatened them with a rusty double-barreled shotgun and put up a stiff hand to hand fight before he was subdued. The .22 calibre rifle he had brandished at the boy Saturday was found neatly wrapped in cloth, under a pile of corn lying on the floor of the room in which Fandrich apparently ate, and slept.

Despite pleas of the tattered, black-bearded man that "I can't pay the taxes" and "they stole all my money," the deputies searched the rough-board cabin and found the money, hidden away in drawers and boxes, in bundles of from one to 20 coins each tightly wrapped in cloth and paper. Other bundles (Continued on Page 2, Col. 3)

ALBANY, Jan. 17.—(P)—Sister Mary Loyola Hoffer of St. Mary's Academy was killed instantly early tonight, and Sister Superior Sefelitas was hospitalized with a fractured ankle and head injuries when the two women were struck by a truck on Ellsworth street near the academy.

ALBANY, Jan. 17.—(P)—Reatha Faulkner, 19, of Sweet Home, today was the first woman in the known history of the district to face a charge of cattle rustling. She was arrested Saturday accused of being an accomplice of Glenn F. Burnett, 26, Sweet Home, who, State Police Sergeant Ernest Larjos said, admitted stealing and butchering a cow belonging to Albert S. Juhnke. Officers quoted Burnett as saying Miss Faulkner helped him dispose of the meat.

### Reed Congratulated on Court Choice



Congratulated by Attorney General Homer Cummings, Stanley F. Reed, right, solicitor general of the United States, is pictured shortly after he was notified of his nomination to the United States supreme court by President Roosevelt to succeed Associate Justice George Sutherland, who recently resigned. Reed's nomination is the second President Roosevelt has made in his two terms, the first being former U. S. Senator Hugo Black to fill the vacancy left by Justice Van Devanter.—LIN photo.

### Railroad Rate Boost Fought In Northwest

Would not Cure Ills of Carriers, Claimed by Several Speakers

### Damage to Farm Market and Lumbering Cited at ICC's Hearing

PORTLAND, Jan. 17.—(P)—Representatives of the lumber, truck gardening and dairy industries and the grange protested a proposed blanket freight rate increase of 15 per cent at an interstate commerce commission hearing here today before Comm. William M. Lee.

W. B. Greeley, secretary-manager of the West Coast Lumbermen's association, said an increase would cause a diversion of shipments to other carriers, and that railroads should seek increased revenue through heavier loadings and lower unit costs.

Examiner H. C. Paul heard testimony of farm representatives in a separate room. Ervin King, master of the Washington State grange, said farmers were dependent upon reasonable transportation rates to market, and increased rates would put northwest producers at a disadvantage because of their isolated location.

He predicted the increase, if allowed, would encourage barge shipping on the Columbia river.

Peter Binn, Milwaukie, Ore., vegetable grower, said northwest produce was marketed throughout the area west of Chicago from the Canadian border to Mexico, and that present freight rates were met with difficulty because of the (Continued on Page 2, Col. 2)

### Favorable Bid Received Here On City Bonds

Interest 2 3/4 per Cent and Premium Offered by two Companies

### Council Asks Offers on Power Plant, Would Lease Ditch Use

The Atkinson, Jones & Co., Baker, Ore., bid on the \$48,000 issue of city improvement bonds at 2 3/4 per cent and \$100 par value, was accepted by the city council last night.

The council adopted a resolution to advertise for bids for the sale of the city power plant acquired with the Oregon-Washington Water Service company purchase, and that the city's (Continued on Page 2, Col. 6)

### New Poultry Bill Is Facing Council

Three Requests for Action on Sewer Complaints Read at Meeting

Along with sustaining Mayor V. E. Kuhn's veto of the anti-fowl slaughtering ordinance passed by the city council January 3, that body last night received a new ordinance introduced by Alderman M. D. Ohlms, which prohibits the slaughtering or keeping for slaughter of fowls within any district in the city limits except in class four unregulated districts, and referred it to the health and sanitation committee.

Three petitions and requests to the council for action on sewerage complaints were referred to the committee on sewers. They included: A request from residents in the vicinity of South Liberty street, between Leslie and Oak streets, for a sanitary sewer there; a petition for investigation of the sanitary sewer in the district adjacent to the territory between Market and Nebraska streets, and 17th and 19th streets; and a complaint including a bill for \$3.50 damage from Mrs. Leo Hanson, 160 East Miller, regarding the sewer condition at Saginaw and Fir streets. The sewer committee was given power to act (Continued on Page 2, Col. 2)

### Atlantic Storms Damage Shipping

NEW YORK, Jan. 17.—(P)—Ships headed by gales in mid-ocean and the snow-mantled northeastern seaboard shared the severity of winter today. Several deaths were attributed to the storm on land and a freighter was distressed at sea.

The largest liners on the Atlantic, including the Cunard White Star's Eberengaria and the Italian Vulcania, departed their arrival here would be delayed as much as a day by winds and snow.

Ships from southern ports, escaping the brunt of the storm, proceeded cautiously, with high winds their major handicap.

New York City's much-practiced, seldom-used "snow fighters" were ready to mop up after a wet swirling snow. Little of it stuck on the pavements, but it spread a traffic-complicating blanket upstate with sub-freezing temperatures.

### Admits Slaying of Chicagoan And His Partner in Abduction

#### No Negotiation Yet in Portland Printers' Strike

Effects Spread, Hawley Paper Mill and Other Firms Cut Crews

#### Labor Conciliator Gram Sees no Immediate Peace, Is Hopeful

PORTLAND, Jan. 17.—(P)—E. P. Marsh, federal labor conciliator, said tonight he did not expect an immediate settlement of a dispute over wages, hours and arbitration which led to a strike of 245 printers, which closed down Portland's three daily newspapers Saturday.

"It may take some days to get the parties together," he said. "I'm watching for a first gap in order to insert a toe. This situation is of such moment, not only to the publishers and the men, but to 5,000 other persons because their daily incomes are directly affected. There is scarcely a home in Portland that one of the papers does not enter."

Marsh viewed the strike as a "family affair" because so many of the printers have worked in Portland most of their lives.

"Many of these men have worked on one paper 25 years or more," he said. "It is a quarrel in the family and it is unthinkable that it can't be broken."

Like spreading circles of water, the effects of the strike grew today. The big Hawley Pulp and paper mill, doing \$50,000 a month business with the three newspapers, Oregonian, Oregon Journal and News-Telegram, laid off 100 employees and Jack Smith, company executive, said 600 others would be affected if the strike continued long.

The Teamsters' union estimated that 50 to 60 drivers hired by private companies under contract to deliver newspapers had been laid off and a large engraving plant handling the work of major advertisers dismissed three employees. The representative of a large ink company said there would be a labor layoff in his plant if the strike lasted.

#### Third Sawmill in Portland Reopens

PORTLAND, Jan. 17.—(P)—A third Portland sawmill, closed last August because of jurisdictional dispute between the AFL and CIO lumber workers, reopened today and negotiations were reported under way between the management and employees of two others.

A. Leo Johnson of the B. F. Johnson Lumber company said the company plant at Linton, which resumed operation today with one shift of about 60 men employed, would continue on an eight-hour, five-day week basis.

He declined to discuss collective bargaining arrangements.

M. H. Jones of the Jones Lumber company said the company had informed employees of conditions under which they would resume operations, and that the mill would reopen Monday if the terms were agreeable to the men.

#### His Confessed Slayer Caught



CHARLES S. ROSS

#### Kidnaping of Last Autumn Is Solved

Ex-Secretary of Victim Is Witness; Ross Seized Upon Lonely Road

CHICAGO, Jan. 13.—(Tuesday)—(P)—Charles S. Ross, 72-year-old business man who had retired with a comfortable fortune made in real estate and the greeting card industry, was kidnaped last September 28 by two men who stopped his gleaming limousine on lonely Wolf road near the Westward Ho golf course.

He was returning to Chicago from Sycamore, Ill., where he had dined at the Fargo hotel with his former secretary, Miss Florence Freihage.

On the return trip to Chicago, Miss Freihage told police and federal agents later, she and Ross noticed a car in the rear seemed to be following them.

"We had gone hardly half a mile," Miss Freihage said, "when Mr. Ross said he believed he would draw over to the side of the road and let the other car pass. When we slowed down the other car moved ahead and then cut in, forcing us to stop. One man got out and walked over to us. He showed Mr. Ross a pistol and said he would shoot unless the door of the car was unlocked."

"Mr. Ross obeyed. When he was told to get out of the car, the man with the pistol said, 'this is a kidnaping; my boss said to bring you along.' Mr. Ross went without resistance."

Hoover described Anders as about 30 years old, of no known address, but a former logger near Spokane, Wash. He said the prisoner is about five feet, eight inches in height, 135 pounds in weight and wiry in build.

#### Oliver Heads for Webfoot Campus

TUCSON, Jan. 17.—(P)—G. A. "Tex" Oliver, University of Arizona football coach, left for Eugene today to interview the University of Oregon athletic board on the head football coaching position.

Oliver said he would discuss the post but he was not a candidate.

#### Several Bank Holdups Also Are Admitted

Large Portion of Ransom Money Is Recovered, Hoover Declares

#### Peter Anders on His Way East; Was Recently in This Vicinity

LOS ANGELES, Jan. 17.—(P)—J. Edgar Hoover, head of the federal bureau of investigation, tonight announced that Peter Anders had been arrested and has confessed to the kidnap-slaying of Charles S. Ross in Chicago last September.

Hoover, who arrived here from Washington last Saturday, said that Anders was arrested at Santa Anita track last Friday after arriving from New Orleans four days before.

Anders, Hoover said, not only confessed that he killed Ross, but also admitted the slaying of his associate in the kidnaping, James Atwood Gray.

"We have recovered \$14,402 of the ransom money," said Hoover. Ross, wealthy Chicagoan, was kidnaped last September 25. His abductors demanded and were paid \$50,000 ransom. This was turned over to them near Rockford, Ill., on October 8.

Two days after payment of the ransom, Hoover said, Anders shot to death both Ross and Gray. Hoover said that Anders operated under various aliases, among them Elbert March, Marshall Eaton and Ray Crantz.

Admits Share in Bank Robberies  
He said that Anders confessed to participating in the robbery of about 20 banks throughout the country. Anders made his confession here today, Hoover said, waived removal proceedings and was sent Chicagoward tonight.

Since payment of the ransom money, Hoover said, Anders had traveled widely, having been in Spokane and Seattle, Portland, Ore., Chicago, New York City, Philadelphia, Washington, D. C., Miami, Fla., and New Orleans.

"He had been 'playing the races' freely," Hoover said. "The bureau was close behind him on every move," said Hoover. "He was arrested when passing some of the ransom money through the parietum windows at Santa Anita."

Hoover said that since his arrival in Los Angeles, Anders had been living at a downtown hotel. He said that the prisoner's confession covered 27 pages.

Formerly Logger in Spokane Region  
The head of the G-men landed the work of the Los Angeles bureau, headed by John H. Hanson, in the seizure of Anders, and said he had received "excellent cooperation" from Santa Anita track officials.

State Council of Clerks Chartered  
The American Federation of Labor has authorized issuance of a charter to the newly-formed Oregon state council of retail clerks, delegates from the Salem clerks' union who attended a state meeting of the council at Portland Sunday reported yesterday. Presentation of the charter is expected to take place in the near future.

Delegates from 72 clerks' locals in Oregon and Washington attended the meeting in a gesture of approval of a tieup between the councils of the two states for joint action. The Oregon council voted to hold its annual convention at Astoria in July.

Salem delegates included Elvin Thomas, G. W. Kennedy, Wendell Cross, Frank Porter and Lee Ray.

Chairman Vinson (D-Ky.), of the tax subcommittee, read from hearings in 1936 on the undistributed profits levy in which Seidman said the New York board of trade considered the tax "sound in principle."

However, Seidman said he had opposed putting it into effect at that time.

Benjamin C. Marsh, executive secretary of the people's lobby of (Continued on Page 2, Col. 7)

Ballade of Tobay  
By R. C.  
"You can't get away with it" off has been taught, but kidnapers, bandits and similar scum, refuse to believe it until they are caught—they can't learn that lesson because they are dumb