No. 298

Chautemps Government Will Resign Today

House Revolts To Turn Down "Family" Levy

Vote Is 180-124 Against Administration Item; Demos in Huddle

Bill Sidetracked, Rumor Says Another Effort may Be Launched

WASHINGTON, March 9-(P)
-A house revolt against the administration slashed from the tax bill today its mest widely criticized provision—a surtax on family-owned and closely held These were the immediate re-

house sidetracked the revenue bill at least until tomorrow and perhaps for several

Chairman Doughton (D-NC) of the ways and means committee rushed away to notify President Roosevelt of the 180 to 124 teller vote by which the house knocked out the surtax and to discuss its implications. Democrats Huddle

To Seek Solution Democratic committee members met in an emergency session to try to figure out some way of making up the estimated \$30,000,000 to \$45,000,000 in revenue which the so-called "1B" tax on closely held firms would

Republicans suggested the bill had been laid aside to give administration forces an opportunity to whip balky Democrats into line and try to reinstate the '1B" levy on a roll call vote.

But Doughton said that while he probably would have to demand such a vote, he had little hope that the tax would be re-

"I am not excited, I am not "This is a good bill w thout 1B. I'm not sore. I have no criticism to make of the house or individual member of the

The vote against the levy split (Turn to Page 2, Col. 6)

Fisk Is Recommended For Customs Collector

WASHINGTON, March 9.-(AP)-Appointment of Fred Fisk, now Lane county judge at Eugene. Ore., as customs collector at Portland to succeed Milton Miller, deceased, was recommended today by Senator Reames (D-Ore.).

ddities

WICHITA, Kas., March 9-(AP)

-In what court attaches said was an unprecedented action, Dist. Judge Ross McCormick granted two divorce decrees today to one woman from different husbands. Judge McCormick awarded the twin divorce to Mrs. Henrickson-Lowden when she explained she remarried after being informed her first husband, Herman Henrickson, had been killed in an accident. She said she learned Henrickson was alive following her marriage to Clyde Lowden and as a result sought divorces from both men.

CHICAGO, March 9-(AP)-A giraffe-of all animals-developed a sore throat out at the Brookfield zoo today.

The victim, named Isiolo, was placed in an isolated stall. Sympathetic keepers recalled that giraffes, after eating, lower their heads into water and shake them back and forth vigorously to rinse their mouths.

So they filled Isiolo's basin with tepid water and a half solution. They hope she will get the idea and gargle.

GREENVILLE, Ga., March 9-(AP)-Greenville's 700 residents in the future will learn immediately when the stork comes to town. Wilbur C. Culpepper, superintendent of the Greenville oil mill, started something when he blew the mill whistle to announce the birth of Ida Lee, daughter of Mr. and Mrs. Warner S. Tigner, last

Several mothers complained they had not been so honored. Culpepper announced in the future all that would be necessary for the mill whistle to signal the stork's arrival would be for him to be notified.

TOLEDO, O., March 9-(P)-A broken leg did not prevent S. B. Crouse and Mary G. Ward, Woodward high school instructors, from being married in a bedside ceremony in Mercy hospital.

The couple planned to wed February 19 but two days before the wedding date Mrs. Crouse slipped and broke her leg in two places. The "wedding trip" yesterday and in the gulf areas,

Tells his Ideas On Power Rates



N. G. WALLACE

Salem Fourth on **Coast in Building**

Ahead of Portland; Gain Over February, 1937, Shown for Area

SAN FRANCISCO, March 9-(AP) -H. R. Baker & Co., reported toern cities totaled \$15,918,940 in February, compared with \$14,-636,451 in February, 1937.

The investment banking firm said trends were up in Idaho, New Mexico, Oregon, Washington, Wyoming and British Columbia, and down in California, Arizona, Montana, Nevada and Utah. Salem, Ore., shot into fourth place, behind Los Angeles, Seattle and San Francisco, respec-

Company B Given Praise by Major

(Turn to Page 2, Col. 1)

Members of Company B, 162nd nfantry, one of Salem's two national guard units, held hopes of receiving an excellent rating last night after having stood annual

The inspection, conducted by Major L. L. Hamilton of the regular army Seventh infantry, Van- er through public or private agen couver barracks, Wash., began in the afternoon and lasted until after 9 p. m. Colonel Fred West, Portland, regimental commander,

local company was in "very excellent shape" and was "one of the finest looking groups of men I've seen." He complimented the unit which is in command of Captain H. G. Maison, for both its equipment and its perform-

Major Hamilton will go to Corvallis today and on Friday will inspect Company L, 162nd infantry, at Dallas.

Headquarters battery, 249th coast artillery, the other Salem (Turn to Page 2, Col. 6)

Foledo's Daylight Bandits Declared Seattle Kidnapers

TOLEDO, Ore., March 9 -(P)-District Attorney L. G. English said two gunmen robbed unidentified occupants of an automobile Motorist Pays \$25 for

of \$50 at noon today. He asserted the victims identified pictures of two Seattle men alleged to have been implicated in the kidnaping of five persons last Thursday as the holdups.

State police blocked all roads in

Uniform Rates For Cities and **Country Urged**

Wallace Opposes Setting up of Differential in Service Area

Replies to Ross Request for Ideas Upon Rates, Bonneville Power

"Postage stamp rates," though not by that name, were recom-mended by N. G. Wallace, state utility commissioner, in a letter to J. D. Ross, Bonneville, administrator, in response to the latter's request. Wallace had reference particularly to the question of a differential between urban and rural customers, which he open-

"So far as I know," Wallace said, "there are no retail rates in this state that are based solely on distance from generating plants. It has been the practice of this de partment, in cases where it has been necessary to determine the net income and investment of a utility in each of its service areas, to allocate to each service area upon the basis of use its share of the utility investment and operat ing costs in the jointly used generating and transmission facili-

"Only two of our utilities at the present time do not have uniform rates throughout their service areas which are served by the same generating and transmission

Wallace said the rural line extension policy made no distinction or distribution costs but was based solely upon the amount of new investment in distribution facilitles necessary to serve only the new customers to be added to the

"It is my judgment," Wallace continued, "nothing that this department has done has been of more value and has met with more public approval than the removal of the differential formerly existing in the rural areas. "It is to be hoped that distribu-

tion of Bonneville energy, whethcies, can be made in the same (Turn to Page 2, Col. 1)

as present. Major Hamilton declared the Prune Cannery in Salem Is Favored

Members of the board of the Salem unit of the Prune Growers cooperative association, meeting here yesterday, viewed with prune canning plant in connection with the co-op, devoted heretofore exclusively to the dried

Chairman Fred Ewing said held up pending a canvass of meet again to consider further ment at Salem.

The canning plant, if established, will go up on the grounds of the present dried prune plant (Turn to Page 2, Col. 6)

Striking, Leaving Dog

PORTLAND, March 9 -(AP)- R H. Smith paid a \$25 fine in muthe vicinity in an effort to cap- and run driving involving a dog. ture the men. The robbed auto- The case was heard under a new mobile was parked on the Beaver city ordinance making it a misdecreek road in southern Lincoln meanor to run down a dog and leave it unaided.

Long and Short Haul Law's Repeal to Aid Steel, Claim

A senate committee heard today that congress' decision on the Pettengill bill would determine whether midcontinent steel producers increase employment or 'further curtail production."

The Pettengill bill would reeal the long and short haul clause in the interstate commerce act, the clause which prohibits a railroad from charging a lower rate for a long haul than for short one over the same line in the same direction. Robert Hula, Chicago, speak-

ing for iron and steel manufacturers of his district, said enactment of the bill was "extremely important" if the producers he represented were to of a master tariff. tunity in serving the important steel markets on the Pacific coast and in the gulf areas."

Spokesmen for the organization the organization said they regarded the comfered a fractured skull, as did Lumonda Beshara, 20, student, adonted daughter.

MARSHFIELD, March 9-(P)
table Friday.

R. H. Baldock, engineer of the state highway commission, inbassador to G be given an "equality of opporon the front steps of her home tunity in serving the important tion said they regarded the com- fered a fractured skull, as did

WASHINGTON, March 9-(P)- (interstate commerce commission

J. J. Pelley, association president, added, however, that it "will be helpful to the railroads, as far as it goes." Pelley estimated the increase

to be about 5.3 per cent above

\$175,000,000 a year. Officers of the American Trucking Association, Inc., announced today a program for an upward revision of rates on all commodities on which the I.C.C. The organization said it would

Difficulty Encountered Picking Jury for Ledford Poison Case



AGNES JOAN LEDFORD

Corvallis Falls; Bulldog 11 Tentatively Selected; and Silver Fox Take **Tourney Openers**

TOURNEY ENTRIES District 1-Baker. District 2-MacLaughlin. District 3-Klamath Falls. District 4—Sandy. District 5—St. Helens. District 7-University high. District 8-Myrtle Point District 9-Medford. District 10-Salem. District 12-Eugene, District 14-Chiloquin. District 15-Amity.

EUGENE, Ore., March 9 .- (AP) Eugene high school defeated Corvallis, 23 to 11, tonight to captournament at Salem next week. Eugene won representation because district 12. Portland, was favor the proposal to establish a out of the tournament following an eligibility dispute.

McMINNVILLE, Ore., March 9. Woodburn, Willamette Valley league champion, and Silverton, McMINNVILLE, Ore., March 9. last night that final decision was runner-up, defeated Tigard and Hillsboro respectively, tonight for the co-op membership and that district 6 and 11 basketball titles following this the directors will and a place in the state tourna-

Silverton beat Hillsboro, 22 to (Turn to Page 2, Col. 1)

Hungary Cabinet Now Reorganized

BUDAPEST, Hungary, March .-(P)-Premier Koloman Daranyi's cabinet underwent swift reorganization tonight in preparation for an elaborate rearmament and public works program.

Without formal announcement, the premier threw off armament restrictions of peace treaties and launched the financial and military program he announced at Gyoer last week.

It was stated that Daranyi's purpose in reorganizing the cabinet was to drop ministers who were half hearted in supporting his new program and to gather about him experts in technical and financial matters.

Woman Is Killed, St. Helens Crash

ST. HELENS, Ore., March 9-(AP)-Mrs. Mary A. Bercovich, 66. of Portland, was killed and three file shortly a petition for the an accident on the Columbia rientire trucking industry seeking ver highway near here tonight.

Florence Bercovich, 24. St. Vincent's hospital nurse and Spokesmen for the organiza- daughter of the dead woman, suf-

Eugene High Will Jury for Ledford Come to Tourney | Trial Incomplete

Tell Own Story ST. HELENS, Ore., March 9 (AP)-With eleven tentative jurors selected, the 98th venireman was subpoenaed today in an attempt to fill the box in the trial of Mrs.

Defendant, Ill, Will

Agnes Joan Ledford, 35, accused poisoner of her two stepdaugh-The apparently weak and ill defendant, who alternated between a cot in the judge's chambers and a rocking chair in the courtroom, will take the witness stand to tell

her story of the death of Ruth Ledford, 13, last fall, Defense Counsel Glen Metsker said. Mrs. Ledford is on trial only for Ruth's death, although she has been indicted for the death of Dorothy, 15, who succumbed about the same time last Septem-

Metsker made his announce (Turn to Page 2, Col. 8)

Power Meet Here

WASHINGTON, March 9-(AP)-Claude L. Draper, federal power commissioner, will participate in public hearing this month in Oregon, Washington and Idaho on proposed rate schedules to be set up in the Bonneville dam area. Draper, whose commission eventually must approve the schedules, was invited by J. D.

Ross, Bonneville administrator. The hearings will open at Salem, Ore., March 11, with the view to "obtaining the people's views on the rate to be established for irrigation, industrial and

The meeting here l'riday will be held in the chamber of commerce auditorium.

Multnomah Falls Gift to State as

PORTLAND, March 9-(P)-The city council tentatively agreed today to give Multnomal Falls and adjacent property to the state for a park.

The action was proposed when Commissioner Earl Riley said the city did not approve state highway department plans for reconstruction of the Columbia river highway through the park, but would approve transfer of the entire park to the state so it could work out its own plans.

The lodge, which the city built at a cost of \$40,000 would be included. Under the proposed persons were seriously injured in agreement, the state would operate and develop the property and make improvements.

Henry Harrison, St. Helens, formed Marshfield officials lack here this afternoon ostensibly to tude toward nazis. conveyances to Mr. Crouse's home: Mrs. Crouse rode in an automobile.

WASHINGTON, March 9-(P)
Pelley's statement said steps driver of a delivery truck which were being taken to put the new rail rates into effect at "the an automobile.

Henry Harrison, St. Helens, tormed Marshield officials lack of funds would prevent rerouting take leave of that post. He always and widening of state highway ready had arranged to talk with the car driven by the sail rates into effect at "the lens, tormed Marshield officials lack of funds would prevent rerouting take leave of that post. He always and widening of state highway ready had arranged to talk with the car driven by long the city for an indefinite time.

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The property of the post the city for an indefinite time take leave of that post. He always and widening of state highway ready had arranged to talk with the car driven by long the city for an indefinite time.

His Government To Resign Today Fascism, Also Fraud Charged To TVA Heads

Director, Field Manager Accused of Operating on Hitler Program

Secret Rebates Granted Princes of Privilege Says Sen. Bridges

WASHINGTON, March 9-(AP)-Senator Bridges (R-NH), appealing for a congressional investigation of TVA, asserted today that an "authoritarian state" had come into being in Tennessee with David Lilenthal, director of TVA, as its "Der Fuehrer." Fred Moses, TVA field manager, he denounced as a "Brownshirt Moses" and a "Hitler in short pants." He should be called to account before a senate committee for utterances attributed to him, the senator said. In a spirited exchange with democratic members, he shouted that Dr. A. E. Morgan, chairman of TVA, now engaged in a dispute with Lilienthal and Harcourt Morgan, the vice chairman was "being liquidated."

Meanwhile, the three principals in the dispute which has disrupted the internal functions of the authority, and produced a volume of charges of bad faith and conspiracy, prepared to lay their cases before President Roose-

velt.

Bridges' lengthy address, constantly interrupted by democratic objections, was aimed primarily at obtaining a congressional investigation rather than an inquiry by proposed by Senator Norris (Ind-

But its princal practical result was to demonstrate conclusively that the Norris method of investigating the agency has powerful support.

At the actual functioning of the TVA, Bridges leveled a long list of charges, including "possible corruption." which he and Senator King (D-Utah) made in introducing a resolution for a senate investigation.

To this list, he added another. Asserting that TVA had entered (Turn to Page 2, Col. 8)

Williams Better Says His Doctor

MEXICO CITY, March 9 -(P)-Dr. M. J. Ferguson said today Ralph E. Williams of Portland, Ore., vice-chairman fo the republican national committee, was im-

He said Williams apparently suffered a duodenal ulcer and had lost considerable blood before a hemorrhage was stopped, but there had been no opportunity to take an x-ray.

Williams, 68, who came here for a short vacation with his wife and has been in the American hospital since Sunday, is "getting along as well as can be expected and is somewhat better today," Dr. Ferguson said.

William Gahlsdorf new State Officer, Hospitals

PORTLAND, March 9 .- (AP)-The Oregon association of hospitals chose William Gahlsdorf, business manager of the Salem General hospital, a director at its annual convention.

Baker Defeats Boise BAKER, Ore., March 9 .- (AP)-The Baker high school basketball team overcame a Boise lead in the give Italy a legislature in which

last three minutes of play to defeat the Idaho squad, 35 to 33. Park Is Approved British Stand Is Bolstered By Concessions From France

LONDON, March 9 .- (A)-Great | France consented to reestab-Britain's efforts toward European lishment of nonintervention conappeasement were bolstered today trol of her Spanish border as soon by a concession from France to as international commissions bemeet Italian demands on non- gin counting foreign fighters to intervention in Spain. The government informed Italy

had insisted that border control and Germany of the concession and awaited their replies in the hope the nonintervention deadlock might be broken, removing this obstacle from the path of Anglo-German and Anglo-Italian agree

This development came as Prime Minister Neville Chamber- in the way of an accord between lain invited German Foreign Minister Joachim Von Ribbentrop to Coos Road Work Doubtful talk with him across a luncheon Von Ribbentrop, former amon, in- bassador to Great Britain, arrived the British press change its atti-

Leon Blum to Get First

Camille Chautemps

Lottery Program

Init of Oregon Merchant

Legislative League Is

Organized There

PENDLETON, Ore., March 9-

(Turn to Page 2, Col. 8)

ident of the New York stock ex-

change, assumed full responsibil-

brokerage firm and admitted to

His statement followed the tes-

timony of Robert J. Rosenthal,

the firm's cashier, who declared

Whitney, without authorization,

so far as he knew had caused to be

turned over to him large blocks

of securities belonging to others,

Atty Gen. John J. Bennett, in

Albany, after being apprised of

pushed to the fullest limit. Pub-

Asst. Atty. Gen. Ambrose V. Mc-

Italian Chamber

ROME, March 9 .- (AP)-The pre

ppears to be on the verge of be-

summoned the fascist grand coun-

The new governing body would

be withdrawn from Spain. Italy

start as soon as the commission

Informed quarters, however.

had no hope for an immediate

Anglo-German settlement since

Reichsfuehrer Adolf Hitler does

The principal hurdles standing

1. Germany insistence on her

'absolute right" to colonies, with

2. Her reported demand that

ot want to talk now.

no promises in return.

London and Berlin were:

entered Spain.

of the fascist party.

without notification to them.

led to the firm's collapse.

Whitney Assumes

Defense Program Costs Deemed Main Factor Causing Crisis

Chance to Form new

Cabinet, Belief

Leftists Deny

Decree Power

Over Finances

PARIS, March 9 .- (AP)-The "middle-ground" government of Premier Camille Chautemps tonight decided to resign Thursday because of left-wing opposition to granting the premier decree powers over troubled French finances.

The radical-socialist premier said he would address the nation tomorrow morning from the chamber of deputies rostrum and then tender his resignation to Pres. Albert Lebrun. Political observers expected the

president to offer the premiership Backed, Umatilla immediately to Leon Blum, head of the first people's front government, whose socialist party holds the largest single bloc of chamber Parties of Left

Won't Grant Power The resignation decision came during a three-and-a-half-hour cabinet session after socialist and communist members of the pre-AP)-A Umatilla county unit of mier's chamber majority refused the Oregon merchants' legislato grant him wide powers he retive league was organized here quested to deal with acute finantonight to assist in a move to cial and economic problems. amend the state constitution and

France's rapidly increasing legalize lotteries and gambling. armament needs were blamed for Sixteen merchants from Umathe financial crisis. tilla county towns attended. The cabinet, composed largely John W. Van Horne, Seaside organizer for the league, said ap- of Chautemps' own radical social

proximately 40,000 signatures ist party members, was constituhad been obtained on the initia- ted January 18, succeeding the second people's front government which Chautemps also headed. It will have lasted 51 days, the 103rd government since formation of the third republic, Behind the new crisis were

Failure's Blame these main problems facing 1. The necessity for borrowing 15,000,000,000 francs (\$480,000,-NEW YORK, March 9 -(AP)-Richard Whitney, five times pres-

000) during 1938 for national defense needs that grow in proportion to the rest of Europe's arms race. ity today for the failure of his 2. The fall of the franc to new 12-year low. wrongdoing in the actions which

3. The necessity for increasing production to raise the nation's defenses. Conservatives hold this reforms and abandonment of the 40-hour week in key industries.

4. Leftist opposition to following England in a "deal" with Germany and Italy, Prime Minister Neville Chamberlain's new policy that caused Anthony Eden to re-Whitney's statement, said the insign as British foreign minister. vestigation by his office would be

morrow, with further examination of Whitney's partners by Won by Brewers

LOS ANGELES, March 9 .- (AP)-The brewery workers' union won its fight with the teamsters' union May Be Revamped today for control of California brewery truck drivers, when Federal Judge William P. James signed a permanent injunction reascist chamber of deputies, twice straining the teamsters from using coercion, intimidation or violence ordered abolished in the last four against the BWU. years but still kept in existence,

Judge James ruled the brewery officials must deal with their ac-Premier Benito Mussolini has tual workers through the properly selected bargaining agency, the cil to the Palazzo Venezia for 10 BWU. The court also held that p. m. (4 p. m. EST) tomorrow to the teamsters had "assaulted and hear a special commission's re- beaten and caused to be assaulted port on substituting for it a cham- and beaten, the actual workers. ber of guilds and "fascios," units the employes in the delivery department of the defendant brewery companies."

"The defendant brewery com panies have a right to conduct their business unmolested by primary and secondary boycott," Judge James' opinion stated. "They have a right to have their physical properties, products and employes free from harm, injury or violence and to negotiate with their actual workers, their employes, free from interference, intimidation and coercion by anyone including the teamsters."

William E. Wheeler Dies PORTLAND, Ore., March 9-(P) Friends here learned today of the death at San Francisco William E. Wheeler, son of J. E. Wheeler, timberman and former publisher of the Portland Tele-

ALLADE of TODAY

When America changes prestimes eight years, it's made a monstrous issue which involves the nation's fate: but European countries, when they want to change premiers, just toss them out without a thought of "disaster" to the state,