

## Government Drafts Railroad Relief Steps

### Close Finishes Provide Hoop Thrills

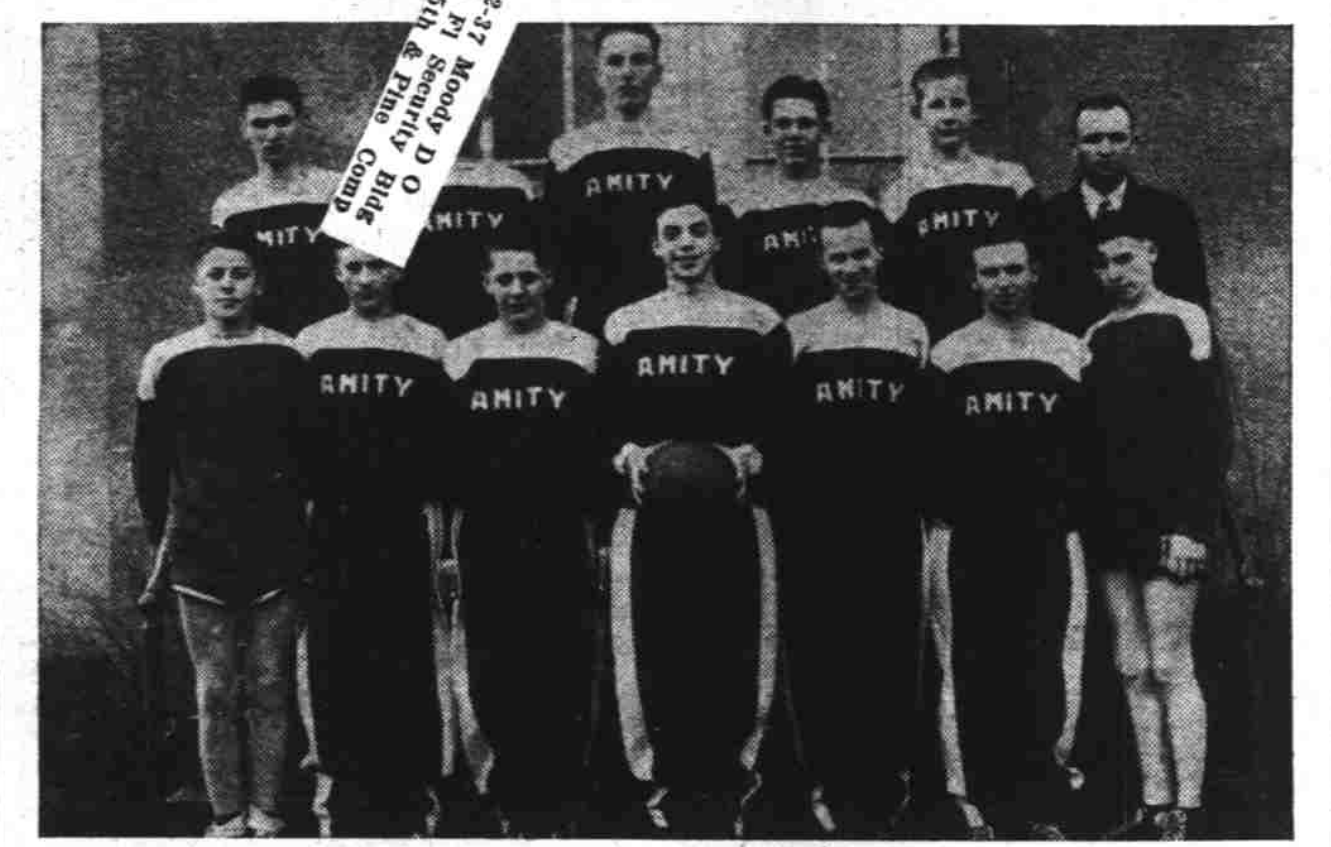
#### Upsets Add to Interest; Four Teams Remain

Amity, Mac High, Baker and St. Helens Billed for Semi-Finals

Three Overtime Tussles in Day; Attendance Continues Heavy

**YESTERDAY'S RESULTS**  
Championship Flight  
Amity 26, Chiloquin 21.  
Mac HI 34, Uni. HI 32.  
Baker 40, Sandy 20.  
St. Helens 43, Medford 25.  
Consolation Series  
Thurston 36, Adams 24.  
Woodburn 36, Salem 34.  
K. Falls 42, Dallas 22.  
Eugene 41, Myrtle Point 40.  
**TODAY'S GAMES**  
Championship Flight  
7:30 p.m., Amity vs. Mac HI.  
8:30 p.m., Baker vs. St. Helens.  
(3d and 4th place brackets)  
2 p.m., Chiloquin vs. Uni. HI.  
3 p.m., Sandy vs. Medford.  
Consolation Series  
10 a.m., K. Falls vs. Eugene.  
11 a.m., Woodburn vs. Thurston.

#### AMITY HOOPERS WIN STATE B TITLE



The Amity high school basketball team, state champions among schools with enrollment of less than 150. They won this honor by defeating Chiloquin 26 to 21 in a hard-fought and close contest Thursday. Amity goes on into the senior tournament semi-finals tonight. Front row, from left, M. Giesy, Kidd, Lee, W. Giesy, Shields and Meeker. Back row, Freeborn, Wildt, Moddemeyer, Worthington, Peterson and Coach Orle Robbins.

#### Amity Quintet Is State B Champion

Comes From Behind, Beats Chiloquin 26-21 With Wildt Sparkplug

At 4:10 yesterday afternoon Amity high school, by virtue of its 26-21 win over the highly touted Chiloquin quintet, was unofficially crowned king of the state's "B" teams. Formal crowning will come Saturday night, when the Orle Robbins-coached team will receive the trophy emblematic of that championship. On the short end of a 5-1 first-quarter count, Amity forged to the fore four minutes into the second period—on a bucket by Moddemeyer, and from there was never headed. Both teams were ragged throughout most of the contest, and both had tough luck in connecting with shots. Arnold Wildt, Amity guard, kept the fire burning sufficiently for his team, by scoring buckets in the clutch—when they were needed most. He led the scoring with 8 tallies, on four field goals. The Chiloquins, led by the red-thatched Rice, member of last year's all-star "B" selection, swarmed all over the Amitys in (Turn to page 12, col. 3)

#### Grandson to Get \$7500 Inheritance Of Man He Killed

ROCKFORD, Ill., March 17.—(AP)—Martin Pearson, 82, and feeble, was slain two days after Christmas last year. He was struck with a hammer handle, gagged, bound and thrust under a bed. His assailant fled \$40 and fled. His grandson, Gordon Malm, 19, pleaded guilty to the murder. His accomplice, Delora Wayne Montgomery, 16, was convicted by a circuit court jury yesterday and his penalty was fixed at 14 years in prison. Both will be sentenced Saturday. The case took an ironical turn today. Attorneys said young Malm would inherit the old man's estate—estimated at \$7500—since he is the sole heir.

#### Vice Probe Urged In Klamath Falls

KLAMATH FALLS, Ore., March 17.—(AP)—Circuit Judge Edward B. Schurtz, in oral instructions to a grand jury today, read accounts of the murder trial of Dell and Claire Richardson in Seattle in support of a charge that gambling and vice interests were trying to "make monkeys" of the law here. The judge read excerpts from a Seattle newspaper story which quoted Patricia O'Neill of Klamath Falls as testifying that she operated a vice establishment here, that she "imagined" it was against the law and that "vice doesn't fight the law; it buys it." Asserting that the gambling take in Klamath Falls was \$500,000 a year, Judge Schurtz told the grand jury that "when a city administration will let such things exist, the inference must be that it is either actuated by cowardice or corruption."

#### Derrick Falls, Worker Is Crushed by Timber

ST. HELENS, Ore., March 17.—(AP)—Oscar M. Olson, 54, creosoting plant worker, was killed instantly today when a derrick overturned and he was struck by falling logs. Surviving are his widow, a daughter and three sons, all of St. Helens.

#### Relief Administration Probe To Be Opened by Grand Jury

An investigation of the administration of relief in Marion county will be launched definitely today by the grand jury, Dist. Atty. Lyle J. Page disclosed last night. The first witness this morning to be called before the jury will be C. A. Sprague, editor and publisher of The Oregon Statesman. Reports from sources close to the grand jury gave promise of the impending investigation soon after The Statesman in two editorials last month pointed out reported cases of alleged incivility and prolonged delay in the handling of relief "clients" in this county. Members of the county court at the time said they would welcome the investigation but defended the relief committee, of which they are a part, and averred they were handicapped by regulations from above, such as rules promulgated by the state relief committee and the federal government. The grand jury received some testimony regarding the relief organization last month before it turned to the brewery picket cases and routine matters. Complaints reported in The Statesman editorials included the following: Lack of civility and consideration toward relief rolls people calling at the relief office. Lack of attention to relief clients' needs, such as repeatedly requiring them to return to the relief office before they are finally granted an audience to explain their problems. Failure to perform within reasonable time promises to have case workers visit clients, without which needs for food and fuel are often passed over. Lack of harmony among mem-

### 600 Killed by Rebels' Bombs At Barcelona

Insurgent Planes Still Come; 1000 Wounded, Officials Claim

Caspe Captured in Drive by Franco Forces to Reach Coast Goal

WARSAW, March 17.—(AP)—Relentless insurgent bombers struck at Barcelona again tonight in the tenth of a series of raids which already had taken 600 lives within 24 hours. The planes dropped about 20 bombs on a section of this refugee-packed capital which had not been hit in raids earlier today. Casualties were reported heavy and dozens of ambulances were summoned from the northern part of Barcelona. The raid began at 10:10 p.m. (5:30 p.m. EST) and at almost the same time other insurgent planes bombed the cities of Tarragona and San Vicente on the Catalan coast, inflicting a considerable number of casualties. Before the last raid, a careful check by the defense board showed 415 dead and 700 wounded, 45 on the ground. Estimates by doctors gave the dead as 600 and the wounded, 1000. The war ministry reported officially that 600 had been killed and 400 wounded. Wave on wave of insurgent bombers roared over Barcelona nine times in 16 hours ranging (Turn to page 2, col. 5)

#### Gale, Heavy Rain Follow Snowfall

Rare Occurrence Repeats St. Patrick's Day of 1920, Is Recalled

Winds of gale proportions returned to buffet Salem and vicinity last night after a day that brought the rare occurrence of an inch of snow in mid-March. A steady, cold rain accompanied the blow, which averaged nearly 40 miles per hour and rose to 45 on the gusts. Overnight rains and the snow added .64 inch to the month's precipitation total, raising it to 3.71 inches, or .04 inch below mean average for the entire month. The United States weather bureau predicted the rains would continue today and Saturday and heavy snows would fall in the mountain regions. Exactly 18 years ago yesterday four inches of snow blanketed the ground in Salem. Mrs. B. L. Steeves recalled. She said she dug daffodils out of the snow to decorate a party table. WPA work in the Silver Falls recreational area was halted yesterday by a reported one foot depth of snow and workmen were told to stay at home. Many travel (Turn to page 2, col. 7)

#### 'Flatfeet' Ousted By Police Chief

PHILADELPHIA, March 17.—(AP)—Police of suburban lower Merion township won't be called flatfeet if Superintendent Samuel Gearhart can help it. Gearhart announced today each of the township's 110 policemen would have his feet examined and measured by a foot specialist. Custom-made shoes, costing \$13 a pair, will be furnished each patrolman. "Half the troubles of mankind are due to the feet," Gearhart said.

#### Henry Quam Wins Directed Verdict

EUGENE, Ore., March 17.—(AP)—Jurors in Circuit Judge G. F. Skipworth's court returned a directed verdict of acquittal today for Henry Quam, AFL barber's union member, who had been charged with riot in connection with stench bombings of non-union barber shops. Judge Skipworth ruled there was no evidence to connect Quam with the crime. He was indicted with Ray W. Blaine, local AFL barber's union official, but obtained a separate trial. Blaine was convicted. Charges against Arthur Peterson and S. Hughes, also indicted, were dropped when they turned state's evidence.

#### 'Upset Boat' Just Floating Log, Said

THE DALLES, March 17.—(AP)—State police said today a huge log seen floating down the Columbia river was responsible for a report that a boat carrying two people had gone over Cello falls and capsized. The log, but no boat, was found below the falls and no mid-Columbia residents were reported missing. The officers said after patrolling the river for several hours. Wishram residents, and a government lock operator at Ten Mile reported the object.

#### Big Coquette Industry To Close, Employs 600

COQUILLE, March 17.—(AP)—The Smith Wood Products company informed today that 600 employees would face suspension of operations March 25. The AFL bargaining agency rejected a proposal by the management that it endeavor to continue by reducing wages 10 per cent.

### Lithuania and Poland Snarl; Clash Feared

Six Demands Mentioned; Nazi Propaganda Is Spread, Austria

Russia Invites to Peace Parley; Blum Is Given Confidence Vote

WARSAW, March 17.—(Friday)—(AP)—Tension over the Polish-Lithuanian crisis mounted today with an official government announcement that a strong note had been sent to Lithuania. Details of the note were not made public, but the newspaper Weicor Warsawski declared it centered on six points, which it described as:

1. Immediate reestablishment of diplomatic relations between the countries.
2. Immediate resumption of railway and postal communications.
3. Cancellation of a paragraph in the Lithuanian constitution referring to Wilno as the Lithuanian capital.
4. Conclusion of an agreement on treatment of minorities in both countries.
5. Immediate conclusion of commercial and customs treaties.
6. Complete and proper satisfaction for the frontier incident March 11 in which a Polish border guard was killed.

#### Big Navy Men Win Victory in House

WASHINGTON, March 17.—(AP)—Big navy men exulted tonight after the house tentatively oked a 20 per cent increase in the United States fleet. They said the decision assured them of an overwhelming victory when the administration's billion dollar navy expansion program comes to a final vote on Monday. The 20 per cent fleet increase is the first, and most important, section of the expansion bill. It authorizes construction of 48 new warships, 22 auxiliary vessels and 950 naval airplanes. Earlier in the day, Majority Leader Rayburn (D-Tex) solemnly informed the house he thought congress might be called upon to vote an even bigger armament program before next January.

#### Billfold Stolen, R. Perry Reports

Ralph W. Perry, nominee for the Oregon state grange mastership to be voted on next month, reported to city police Wednesday that a billfold containing approximately \$45 was stolen from his room at a local hotel. He said he left his room, locked, for a few minutes to answer a telephone call and found the billfold missing when he returned.

### Foreign Policy Now Under Fire

Chamberlain Will Clarify His Views

Statement Is Designed to Alleviate Pressure; Hostility Grows

LONDON, March 17.—(AP)—Prime Minister Neville Chamberlain decided tonight to make a clear-cut statement on Britain's foreign policy to quell a rising tide of opposition to him in the cabinet, commons and the country. Menaced by revolt within his own ranks against his own cautious policy, Chamberlain was reported to have given ground in an effort to restore harmony. Sources close to the government said Chamberlain would tell commons next week the stand the cabinet is adopting on such critical issues as Czechoslovakia and Spain. Such a course was expected to do much to pacify those clamoring for an immediate declaration. Government sources have in-

#### Chamberlain Will Clarify His Views

WASHINGTON, March 17.—(AP)—President Roosevelt, advocating quick action to save off more railroad bankruptcies, assigned three experts today to draft an emergency and program within a week. He picked Chairman W. M. W. Spawm, and Commissioner Joseph B. Eastman, and Charles D. Mahaffie of the interstate commerce commission from a group of 14 advisors who discussed railroad problems with him. They were asked to make a definite recommendation by next Thursday. Spawm said the trio would start work tonight on recommendations dealing with Reconstruction Finance Corporation loans, refinancing, economies and other means of tiding the railroads over the current business recession. He estimated 80 per cent of America's railroads mileage was in bankruptcy and said other railroads were threatened with receivership. No effort would be made at this time, he indicated, to solve such long-range problems as consolidations and reorganizations. One of the 14 advisors told the president, Spawm reported, that virtually dictatorial powers would have to be wielded by some government agency to effect any substantial savings in the cost of railroad operations. This advisor, who was not identified to reporters, estimated consolidations and other economies could save the roads up to \$250,000,000 a year, but said 70 per cent of the savings would have to be made on labor. He also declared the opposition of many cities, markets and railroad officials would have to be overridden ruthlessly.

#### Whitney Expelled From Stock Mart

NEW YORK, March 17.—(AP)—Richard Whitney, who twice has pleaded guilty to grand larceny in the spectacular collapse of his Wall Street firm, was expelled from the New York stock exchange. Five times he had been its president. His two senior partners, Edwin D. Morgan, Jr., and Henry D. Mygatt, were exonerated of any willful wrongdoing, but nevertheless suspended for three years under a rule which makes an exchange member responsible for the acts of his associates. No criminal action is pending against them.

### One Merger Is Already Given RFC Scrutiny

Quick Action Advocated by President; Three Men Given Task

ICC Members Chosen to View Situation; Job Already Started

WASHINGTON, March 17.—(AP)—The Reconstruction Finance corporation is studying the feasibility of a merger of the Chicago and Northwestern and the Chicago, Milwaukee, St. Paul and Pacific railroads. Chairman Jesse H. Jones, announcing this at a press conference today, said the study was being made to determine what savings could be effected. He indicated similar studies of other railroads might be made in the future. Calling the Milwaukee-Northwestern study "not a little job," Jones said he did not expect the RFC's railroad experts to have a report ready for two or three months.

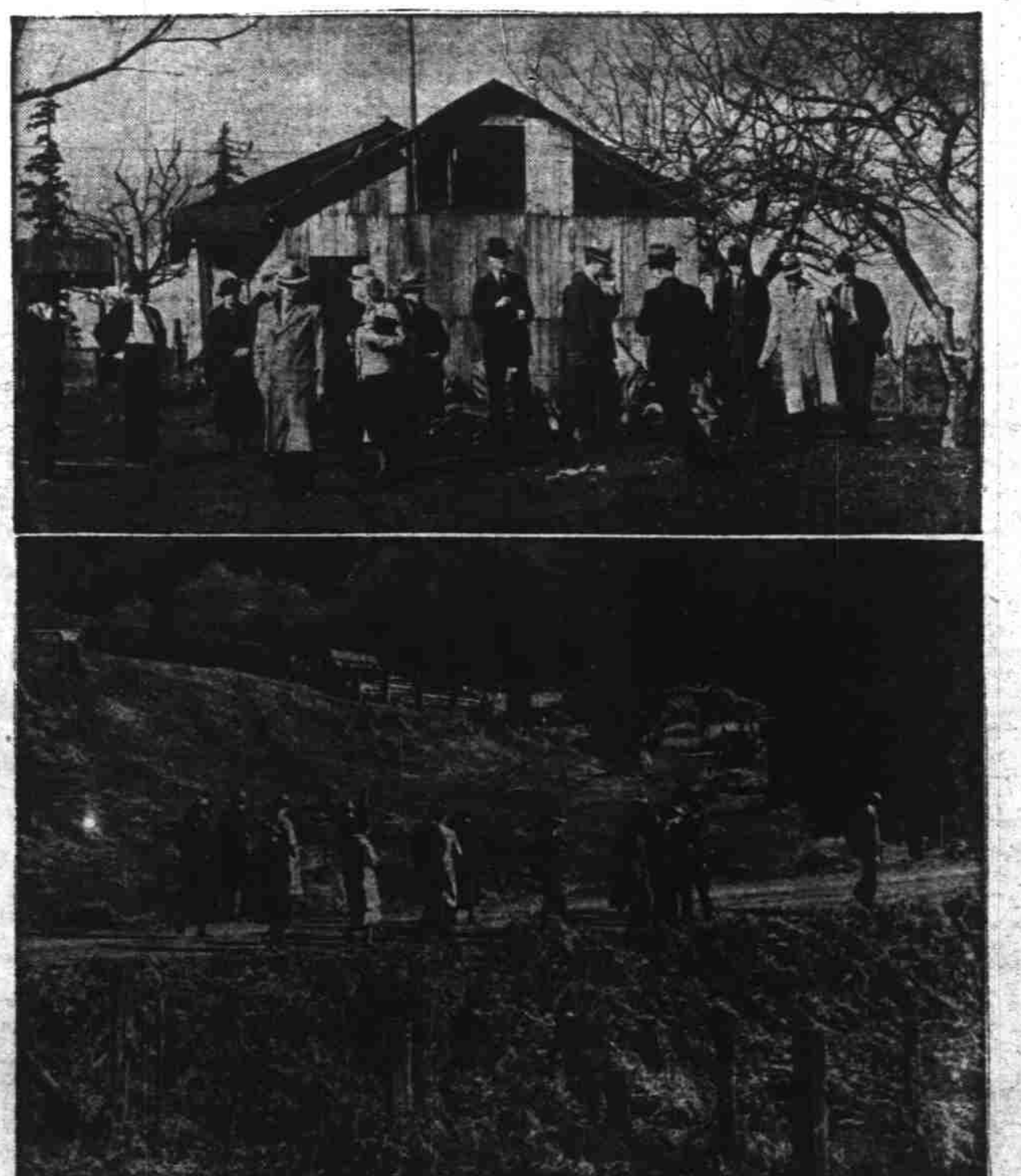
#### Ruge, Pioneer of West Salem, Dies

Charles S. Ruge, resident of West Salem for 35 years and a retired farmer of this section, died last night at the residence, 1243 Edgewater street, at the age of 79 years. He came here in 1903, lived in Salem for a year, then moved across the river to West Salem, where he was a farmer for many years. He served as water superintendent of the city for a period ending about five years ago. Ruge street in West Salem was named for Mr. Ruge. He was a member of the German Lutheran church and affiliated with the Woodmen of the World. Mr. Ruge was born in Berlin, Germany, April 25, 1857. On coming to this country he farmed in the Dakotas before coming here. Survivors include three daughters, Mrs. Fred Gibson, Miss Charles Unruh and Miss Lillie Ruge, all of Salem, a brother, Albert, also of Salem, and a nephew, Albert Schwartz, Portland. Funeral arrangements in charge of the Clough-Barrick company, are incomplete.

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#### LEDFORD JURY INSPECTS BERRY PATCH



Upper picture, jury trying Mrs. Agnes Joan Ledford on first degree murder charge inspects the Ledford home near Yankton, not far from St. Helens, where the state contends Ruth and Dorothy Ledford, the defendant's stepdaughters, were poisoned last September. Below, the jury inspects the patch of wild blackberries which the state contends was the source of the poison, blown onto the berry bushes when a nearby potato field was sprayed.—Associated Press photo.