

### Tournament News

Basketball fans will find the most complete coverage of the state tournament in The Statesman—and read it hours ahead.

### Weather

Rain today and probably Sunday, temperature unchanged; Max. Temp. Friday 49, Min. 42, river 14.2 feet, rain 1.54 inches, SW wind.

# Mexico Expropriates Foreign Oil Holdings

## Amity and Baker Attain Tourney Finals

### B School Gets To Last Round Twice in Row

Giesy Is Hero of Upset; Mac High Edged out by 27-24 Score

East Oregon's Bulldogs Beat Saints 26-10, Defensive Duel

#### YESTERDAY'S SCORES

Woodburn 32, Thurston 27.  
K. Falls 31, Eugene 28.  
Amity 27, Mac HI 24.  
University 49, Chiloquin 25.  
Medford 35, Sandy 28.  
Baker 26, St. Helens 10.

#### TODAY'S GAMES

9:30 a. m. Woodburn vs. Klamath Falls.  
(For 5th and 8th place)  
10:30 a. m. University vs. Medford.  
(For 4th and 7th place)  
7:30 p. m. Mac HI vs. St. Helens.  
(For 3rd and 6th place)  
8:30 p. m. Amity vs. Baker.  
(For state OHSAA title)

By RON GEMMELL  
Amity, as a word, means harmony and friendliness, but to the whole Williams valley in general, and the 400 inhabitants of the town and 140 students in the school in particular, it means hope for a valley-bred state high school basketball championship. For, by virtue of their 27-24 basket ball victory over Mac-Loughlin high of Milton-Freewater last night, the Amitys plummeted into the championship final tonight against the Bakers, who "out-precised" the Saints of St. Helens by a 26-10 score.

### THEY PLAY TONIGHT FOR THIRD PLACE



Above, the Saints of St. Helens. From left, front row, Lampa, Daggett, Harper, Coach Eddie Frantz, Ketchum and Tusten. Back row, I. Hamilton, E. Hamilton and Hiatt. Below, Mac-HI of Milton-Freewater. Front row, Caldwell, Vause, Nelson, Duggan, Yantis and Coach Rufus L. Fox. Back row, Manager Russ Rasmussen, Patterson, Fox, Eiffert, Oving and Overturf. These teams play at 7:30 tonight with third and sixth place honors at stake.

### Morgan Is Under White House Fire

Sends in Details Backing up "Bad Faith" Claim in Case of Berry

WASHINGTON, March 18—(AP)—President Roosevelt brusquely gave Chairman Arthur E. Morgan of the TVA 72 hours today to decide whether he would answer questions in a presidential investigation of the bitter charges that have reduced mighty TVA to two quarrelsome camps.

The chief executive delivered this ultimatum at the conclusion of the second session of a hearing on the accusations. During the session Morgan clung to his position that only a congressional investigation could reach all the facts.

While he modified his attitude to the extent of presenting a bill of particulars to support his accusation that Vice Chairman Harcourt A. Morgan and Director David E. Lilienthal had knowledge of "bad faith" in the Berry marble claims case, he otherwise declared himself not a participant in the inquiry.

The president's irritation at this attitude showed plainly in the mimeographed transcript of the proceedings which the White House distributed to the press. "On the face of the record as it stands today," Mr. Roosevelt asserted, "the charges of the other directors that Chairman Morgan has obstructed and sabotaged the work of the Tennessee (Turn to page 2, col. 4)

### \$97,000 in City Refunding Bonds Called in Early

Notable improvement in the rate of payment of street assessments has enabled the city of Salem to call in \$97,000 worth of refunding bonds well ahead of schedule and will result in a great saving in interest, City Treasurer Paul H. Hauser said Friday.

These refunding bonds were issued in 1935 because of delinquency on the part of many property owners in paying their street assessments. The bonds to be retired are numbered 34 to 130, inclusive, and will be redeemed on or after April 15. Interest stops on that date.

The bonds were scheduled to be retired on dates extending from April 15, 1939, to the same date in 1945.

### Boards Will Talk Power Plant Deal

Three Salem water commissioners, Dr. O. A. Olson, E. B. Grabenhorst and J. M. Rickman, will meet with the Salem school board Tuesday night to discuss a proposal that the school system take over the water department's hydroelectric plant on the mill stream. The commission decided to delay action on a suggested lease agreement with the Portland General Electric company pending a possible arrangement with the school directors.

(Turn to page 2, col. 3)

### Water System Earns Profit Of \$32,211, Report Reveals

Salem's municipal water system earned a net profit of \$32,211.84 during 1937 despite the fact it was engaged in a heavy construction program and its bond interest charges were \$21,834.17 higher than in 1936, Manager Cuyler VanPatten reported to the water commission last night.

The annual balance statement evaluated the system's assets at \$2,307,872.53 and its total surplus over liabilities at \$88,103.29. Bonds sold to finance purchase and construction of the system accounted for \$2,200,000 of the liabilities and necessitated payment of \$76,651.98 in interest. Gross receipts for the year totaled \$198,182.49, of which \$130,052.78 came from metered residential sales of water. Metered

### Roads Blocked On Coast With More Rain Due

Corvallis-Newport Route Is Cleared; Coquille Stretch Is Closed

Shipping Hampered, but Benefit to Farmers' Prospects Seen

(By the Associated Press)  
Rivers swept upward, traffic was hampered and precipitation marks rose above normal throughout Oregon today as winter answered a curtain call with wind, rain and snow.

### Demurrer Upheld In Case of Henry

Indictment Is Dismissed, Matter Resubmitted to Polk's Grand Jury

DALLAS, March 18—(AP)—Circuit Judge Arlie G. Walker today dismissed the indictment against Henry, charging Leslie "Slim" Henry, Salem Building Trades council business agent, with attempting to coerce a person to join a labor union, after Henry's attorneys had demurred to the charge. The court ordered the matter resubmitted to the grand jury.

### Grand Jury Hears Relief Complaints

The Marion county grand jury spent three hours yesterday afternoon listening to complaints of witnesses concerning the manner in which relief is handled at the county relief offices, then adjourned until 10 a. m. Monday.

### Quest of Russian Fliers Abandoned

FAIRBANKS, Alaska, March 18—(AP)—M. B. Bellakov, Russian government representative, today announced abandonment of the search for Sigismund Levantefsky and five companions, missing since August 13 on a transpolar flight to the U. S.

### Youth Wanted in Portland Caught

Alford Dumbor, 19, wanted in Portland on a felony charge, was arrested by Officer Overgard of the Salem police early this morning. After trailing two youths last night, Overgard found Dumbor hiding in an automobile at Shrock's used car lot.

### Late Sports

PORTLAND, March 18—(AP)—Johnny Shumway, 161, Powell Butte, Ore., won a 10-round decision over Jack Hibbard, 165, Klamath Falls, in a main event fight here tonight.

### Czech-German Tension Eased By Concession

Self-Rule for Districts With Nazi Majorities Believed Answer

Polish Troops Threaten Lithuania; Hitler's Policy Announced

WARSAW, March 19—(AP)—Newspaper reports today said the Polish fleet had left Gdynia, Poland's Baltic port, and sailed northeastward toward the Lithuanian coast.

PARAH, Czechoslovakia, March 19—(Saturday)—(AP)—Full autonomy for Germans in Czechoslovakia came nearer realization today when the cabinet council decided German districts are to be administered by German nationals.

LONDON, March 18—(AP)—Polish troops massed menacingly tonight on the frontier of little Czechoslovakia.

### PGE's President Pledges Dam Aid

Griffith Asks 'Reasonable Zoning' and Hopes to See Power Soon

PORTLAND, March 18—(AP)—Franklin T. Griffith, president of the Portland Electric Power company, pledged cooperation today in the development of Columbia river power and said he hoped to see the Bonneville project in production as soon as possible.

### Creeks Rise, Damage Along Shelton Ditch Is Possible

Predicted additional rains today and probably Sunday last night gave threat of property damage along Shelton ditch for the second time this winter and of a continued rise in the Willamette river.

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### Seizure Announced After "Suspension" Called by Workers

Nationalization of Huge Industry Is Planned; Indemnification to Be Made, Mexican Law Provides

Foreign Exchange Operations Halted at Same Time; Recent Award of Arbitrators Dispute Basis

MEXICO CITY, March 19—(Saturday)—(AP)—The Mexican government today expropriated foreign oil holdings under decree of President Lazaro Cardenas.

### Ledford Defense Testimony Given

Minister Was Called in to Pray for Ill Children; Spray Gets Mention

ST. HELENS, Ore., March 18—(AP)—Mrs. Agnes Joan Ledford, 35, ill and confined to a cot in the judge's chambers today at her trial for the poison death of her stepdaughter, heard Ed Suckow, Yankton WPA worker, testify a cloud of spray from a potato field made him "feel bum."

### War Isn't Likely Soon Says Hoover

LONDON, March 18—(AP)—Former President Herbert Hoover, completing his tour of Europe, said today "I do not believe a widespread war is at all probable in the near future."

### Auto Runs Amok As Driver Faints

When Mrs. J. S. Sawyer of Timber, Ore., fainted while driving her automobile near Marion and Winter streets Friday night, the machine crashed into three parked cars before it stopped.

### Highway Fund Is To Come Through President Admits

WASHINGTON, March 18—(AP)—The administration abandoned hope today of getting congress to cancel an allocation of \$200,000,000 among the states for highway construction work during the fiscal year beginning July 1.