

**The Weather**  
Fair today, Thursday partly cloudy; Max. Temp. Tuesday 76, Min. 43, river 1.2 feet, rain 0, northwest wind, clear.

### Vacation Season

Many families will leave soon on vacation trips. Don't get out of touch with your community's news. Have The Statesman follow you.

EIGHTY-EIGHTH YEAR

# Slush Fund Charges Overridden in Senate

## 76 Indicted Upon Racketeer Charges in Eastern States

### Wallace Given Rebuke, Ruling By High Court

Same Principle Declared Applied as in Other Stockyards Case

### NLRB Is Upheld in Plea to Withdraw Case of Republic Steel

WASHINGTON, May 31.—(AP)—Six justices of the supreme court, with Chief Justice Hughes as their spokesman, rebuked Secretary Wallace in sharp language today for contending the court had been inconsistent in a recent decision.

Hughes called the contentions of the secretary of agriculture "unwarranted." His remarks were not addressed directly to Wallace, but were in the form of a categorical reply to Solicitor Gen. Robert H. Jackson, who had represented Wallace before the court.

At issue was a recent decision of the supreme court invalidating a department of agriculture order reducing commission fees at the Kansas City stockyards. The court, in an April decision also written by Hughes, held that Wallace issued the order on the basis of findings by government prosecutors without giving the livestock agents reasonable opportunity to contest the findings.

Wallace used an unprecedented method of replying. He wrote a letter to Hughes in which he said, in effect, that the chief justice had reversed himself on a point of procedure approved by the court when the stockyards case was before it on another occasion. Jackson stressed this in appealing to the court for a re-hearing of the case.

Same Rule Declined, Hughes emphatically denied there had been a reversal. "Not only are the two decisions consistent," he declared, "but the rule announced in our former opinion was applied and was decisive of the present appeal, and the government is in no position to claim surprise."

Hughes was supported in his position by Justices Brandeis, Stone, McReynolds, Butler and Roberts. Justice Black, one of President Roosevelt's appointees (Turn to page 2, col. 4)

### Her Slaying Leads to Solutions Of Other "Brick Murder" Cases



Mrs. Florence Johnson, 34, wife of a Chicago fireman and mother of two children, was beaten to death with a brick, fifth attack-slaying in Chicago in three years. Investigation led to the arrest of Robert Nixon, 18, and Earl Hicks, 19, negroes, said by police to have confessed. Nixon also admitted one other such murder, and was connected by fingerprints to one in California.—IIN photo.

### Guard Character, Building Permits OSC Seniors Told Up 33 per Cent

Chicago Magazine Editor Says Mind Depression Is Most Serious

CORVALLIS, May 31.—(AP)—Oregon State college seniors were cautioned against a depression in character today in a commencement address by Joseph Mason Artman of Chicago, editor of the magazine "Character in Every Day Life."

Artman, who urged college trained men to enter politics and public service, asserted the absence of character was more serious than the economic recession. (Turn to page 2, col. 4)

### People on Relief Must Accept Jobs

PORTLAND, May 31.—(AP)—The state relief committee said today that all employable persons receiving relief had to accept employment that the committee felt was suitable.

### Salmon Run Failure Serious But Bonneville Is Absolved

BONNEVILLE, Ore., May 31.—(AP)—Fishermen, white and Indian alike who have lived for generations off the king of the rivers—the royal chinook salmon—wondered fearfully today whether the world's greatest spring salmon run would be wiped out by the dam.

Above Bonneville dam, the government's \$55,000,000 power, navigation and flood control project, the Indians at picturesque Celilo Falls, scene for ages of native fishing, looked at their empty nets and said, dejectedly, with Sam Starr:

"Once we used to catch about six tons a year; last year we didn't do so good; this year there are no fish."

Downstream at Astoria, home of one of the west's major fishing fleets and a \$10,000,000 industry where the great Columbia spreads seven miles wide, gill-nets began racking their tackle and canneries curtailed opera-

### Truckers Held For Extortion, Federal Count

Million Gouged Annually in Merchandise Haul Business, Charge

### Officers and Teamsters' Union Members Face Courts, New York

NEW YORK, May 31.—(AP)—Complaints from seven east states that union truckmen here were using gangster methods to gouge millions out of the rich merchandise-hauling industry resulted today in the indictment of 76 men on federal charges of racketeering.

Two indictments returned by a special federal grand jury named eight officers and delegates and 62 members of local No. 867 of the International Brotherhood of Teamsters, Chauffeurs, Stablemen & Helpers of America and six other individuals.

Each of the defendants, if convicted, faces a possible sentence of 41 years imprisonment and fines totaling \$50,000 each. They were charged with violating the federal anti-racketeering act of 1934, enforced for the first time in New York state, and the Sherman anti-trust act.

The indictments alleged the defendants, using force and threats of violence, extorted \$1,000,000 and more annually from the \$100,000,000-a-year business in the trucking of general merchandise and perishable foodstuffs.

Flying squadrons of union men, the grand jury charged, met the trucks of out-of-town shippers and truckers at the city limits and compelled them to pay \$9.42 apiece for a local 867 driver, whether or not the driver was used or needed.

In addition, the indictments alleged, "shakedowns" of from \$1,000 to \$100,000 were demanded from the shippers of truck-owners for the privilege of being allowed to operate without interference. The complaints came from shipping and trucking companies in Massachusetts, Connecticut, New Jersey, Pennsylvania, Delaware, North Carolina and Virginia.

### Decision Delayed On Mooney's Case

SAN QUENTIN PRISON, Calif., May 31.—(AP)—Thomas J. Mooney, informed today that the supreme court of the United States had delayed until November a decision as to whether he was guilty of complicity in the San Francisco Preparedness day bombing of 1916, said he "must be content."

"Of course I am deeply disappointed," said Mooney, "but I am grateful for the reason given for the delay."

The high court took the almost unprecedented step of accepting Mooney's case for study on the basis of one typewritten transcript. That one transcript comprises over 13,000 pages and over 6,000 exhibits. The court indicated the delay was to permit the nine justices to take turns with the lengthy transcript.

### Hughes Is Always On Majority Side

WASHINGTON, May 31.—(AP)—Chief Justice Hughes was the only member of the supreme court on the winning side in every case decided this term.

Not once did the 76-year-old jurist dissent during the term that began last October and ended today. The court delivered 180 opinions.

Justice McReynolds, former attorney general in the Wilson administration, dissented 28 times, the high record for the eight months.

Justice Black, former Minnesota lawyer, was runner-up with 21 dissents.

Girl's Eye Injured Sustaining a painful eye injury while playing with a pair of scissors at her home on 1148 North Commercial, Iva May Speed, 8-year-old daughter of Mr. and Mrs. George Speed, was last night hospitalized at the Salem Deaconess.

### 300 Killed in Insurgent Air Raid in Spain

City of Granollers Said Wrecked; Women and Children Victims

### British Resentment Over Bombing of Ships Is Growing, Reported

GRANOLLERS, Spain, May 31.—(AP)—Rescue workers tonight dug through the bomb-shattered wreckage of this farm town 16 miles north of Barcelona seeking hundreds of victims of a devastating insurgent air raid.

Ambulance and first aid workers estimated 300 were killed in the sudden attack and an equal number wounded.

The mayor of Granollers, with a normal population of 9,000, said mostly women and children were killed.

Dazed and bandaged residents tonight stood in remaining doorways and pointed to bomb scars on the facades of Granollers' buildings.

Firmen and rescue workers worked feverishly in wreckage of the marketplace, the heart of the city, where insurgent bombs blasted to pieces many women and children waiting in line for food.

Most of the casualties centered in that section.

Ten hours after the morning attack the streets were cleared of wreckage except for huge heaps of stone, glass and mortar. The main street was severely punished. One building was washed in half. The fronts of other structures were pitted with steel.

LONDON, May 31.—(AP)—Britain's growing resentment at the Spanish insurgent bombing of British ships in government ports was expressed today.

### FDR Shelves Try On Reorganization

WASHINGTON, May 31.—(AP)—With President Roosevelt's consent, his legislative lieutenants pigeon-holed a government reorganization bill today until the next congressional session.

Chairman Byrnes (D-SC) and Acting Chairman Warren (D-NC) of the senate and house reorganization committees said in a joint statement:

"No effort will be made to pass the reorganization bill at this session."

The announcement, officially quashing talk of reviving the bill, definitely ended one of the bitterest rows of the session, smoothed the way toward adjournment, and confirmed a major rebuff to the administration's schedule last April 8 at the hands of legislators.

On that date the house by a vote of 204 to 196, sent the reorganization bill back to a special committee. For a time that was believed to be the end of the measure, but reports recently there had been reports the controversy would be reopened.

### Boy of 12 Helps In Kidnap Case

BUFFALO, Wyo., May 31.—(AP)—The net federal agents had spread for James E. Merritt, 26-year-old suspect in the kidnap ransom case of an Ohio farmer, might have struck a snag had it not been for the resourcefulness of 12-year-old Billy Gibbs, son of a Buffalo dude rancher.

Aware that Merritt was sought, the ranch boy crawled from a window when Merritt appeared at the ranch house Sunday, and ran a mile into Buffalo to notify Sheriff M. H. Tisdale.

Paul Gibbs, the boy's uncle, kept Merritt engaged in conversation until the sheriff arrived.

R. D. Brown, agent in charge of the federal bureau of investigation at Denver, said Billy proved himself a "worthy junior G-man."

### Hundred Planes Battle Over Hankow and Both Sides Claim Advantage

Japanese Say 20 of Defenders' Ships Shot Down, Chinese Claim Raiders Beaten off With Loss of 15; Ground Forces Deadlocked Again

SHANGHAI, June 1.—(Wednesday)—(AP)—Both Chinese and Japanese claimed victory today in one of the greatest air battles of the war in which more than 100 planes fought high over Hankow.

A Japanese naval communique declared 30 Japanese planes raided Generalissimo Chiang Kai-Shek's capital and shot down 20 Chinese planes while only one of their own failed to return.

China's aviation headquarters, however, declared 54 Japanese planes attempted the raid but were beaten off with a loss of 15 planes. Disputing Japanese reports that the Hankow airfield was heavily bombed, Chinese declared the Japanese were prevented from carrying out the raid.

While Japanese planes struck at Hankow and Canton, ground forces of both armies apparently were deadlocked again in the vicinity of Lanfeng, along the Lung-hai railroad in central China.

Severe fighting was reported among the mud-walled villages between the Lung-hai and the Yellow river with Chinese troops still (Turn to page 2, col. 2)

### Water Rates for Summer Reduced Drop One-Third Amount Over 3750 Gallons, Is Notice to Users

Printed notices that summer water rates had been reduced were being mailed out to customers yesterday by the Salem water commission. The notices state that for water billed in the four-month period, June to September, a rate reduction of 33 1/2 per cent is in effect for all water used in excess of 3750 gallons per month.

"The first 3750 gallons cost you \$1.55," the notice explains. "For all in excess of this amount you pay at the rate of only five cents per 750 gallons."

As an example the notice points out that "if your water bill was \$3 for the month of June last year, the same amount of water used in June this year will cost you only \$2.52, a saving of 16 per cent." based on inside the city rate.

The notice urges the commission's customers to use more water.

Handy printed rate cards, list summer and regular, domestic and commercial, city and suburban schedules, have been obtained by the commission.

### Heating Plant Aid For State Sought

The state board of control Tuesday approved an application of the state capitol reconstruction commission for a federal grant of approximately \$55,000, for construction of a central heating plant for the state capitol group of buildings.

The site, to be located a short distance from the state capitol grounds, would be purchased by the state. Officials said the state already had received several offers of a site varying in price from \$5000 to \$20,000.

The cost of the proposed heating plant was estimated at \$125,000, provided the present heating plant is scrapped.

Action on the grant was expected prior to September 1, members of the capitol reconstruction commission said.

### Two Arson Charges Dropped; Foree and Rosser Cases Set

DALLAS, May 30.—Arson charges against two Salem Teamster union members were dismissed and that against a third, Lisle B. Foree, was set for trial June 21, by Circuit Judge Arlie G. Walker here today.

The court also docketed the arson charge against Al E. Rosser, former chauffeur of Oregon and southwest Washington teamsters, for trial here June 27.

Arson indictments against Louis Charles Harkins, business agent of local 324 of the teamsters, with headquarters in Salem, and Ward Earl Graham, member of the local, were dismissed for insufficient evidence on the motion of Dist. Atty. Bruce Spaulding and Asst. Special Prosecutor Oscar Hayer.

### Wheeler Says Officials Meddling, Harmful to Democratic Cause

50 Million Granted for Relief; Vandenberg Says too Little

WASHINGTON, May 31.—(AP)—With a shout of angry determination, administration forces in the senate increased funds for the national emergency council today despite protests by democratic critics that the agency was actually a political organization.

Senator Wheeler (D-Mont.) told the senate that the NEC, set up by the president to coordinate work of all federal emergency agencies in the states, had participated chiefly in politics "in my state."

Senator Clark (D-Mo.) added that the agency's only purpose was "political."

Majority Leader Barkley (D-Ky.) and half a dozen other administration men sharply denied this. By a resounding voice vote, they and their supporters awarded the agency \$50,000, an increase of \$600,000 over the sum voted by the house.

Wheeler centered senate attention on the Iowa democratic primary once more by charging that an NEC official, I. T. Jones, was trying "to stab Guy Gillette in the back."

Party Is Damaged, Declared Wheeler

The Montanan said Jones, along with Harry Hopkins and other White House advisors, was supporting Representative Wearin (D-Ia.), primary opponent of Senator Gillette, the democratic incumbent.

Wheeler said a "certain little group" was doing "the president a disservice, and the democratic party a disservice" by trying to influence state political affairs.

"It ought to be stopped or the democratic party is going to be defeated," the Montanan warned his colleagues.

He said that if "some of these pseudo politicians have their way" Wearin and Gillette is defeated by Wearin "you can bet all the tea in China that Iowa will go republican."

President Roosevelt, at his press conference, declined to comment on Hopkins' apparent backing of Wearin in the Iowa race, interpreting any answer would be misinterpreted. He added that in the future he would refuse to answer similar questions either from candidates or the press.

WASHINGTON, May 31.—(AP)—The senate voted today to make \$50,000,000 of WPA funds available for direct relief in event of emergency, but rejected a proposal by Senator Vandenberg (R-Mich.) that the amount be increased to \$150,000,000.

The emergency cash would be set aside from the proposed WPA appropriation of \$1,425,000,000 provided in the \$3,000,000,000 lending-spending bill.

(Direct relief, which consists of outright grants of money and is sometimes called the "dole," differs from the WPA policy of providing relief through jobs. The WPA policy now is to leave the task of direct relief for unemployed to states and other political subdivisions.)

Vandenberg said the plight of the larger industrial cities was a "clear indication" that more direct relief would be necessary to supplement the existing system.

Inclusion of even \$50,000,000, Vandenberg said, constituted "recognition that the relief problem may become so large to be handled by work relief alone."

Senator Byrnes (D-SC) objected to Vandenberg's proposal, saying it would be a departure from WPA policy.

### Fireman Pays Dividend

PORTLAND, May 31.—(AP)—The Iron Fireman company said quarterly dividend checks of 10 cents a share would be paid tomorrow to stockholders of record March 10. The regular 1938 dividend totaled \$1.20 a share.

### Columnist Takes 3-Months Leave

Dorothy Thompson, popular columnist whose writings have appeared regularly in The Statesman in the last two years, is taking a three-month vacation. Her column which appeared Tuesday morning was the last to appear until September.

Mark Sullivan's column, also devoted to national and world affairs, will appear on The Statesman's editorial page three days a week while Miss Thompson is on her vacation.