

News Photos
Three photo services bring pictures of world news events to readers of The Oregon Statesman in every issue.

The Weather
Rain today and Thursday, with moderate temperatures. Max. temp. Tuesday 49, min. 39. River -7 feet. SSW wind.

EIGHTY-EIGHTH YEAR

Frigid Blast Descends on Midwest and East

Holman Quits; Pearson Made His Successor

Wallace Wharton Named to Tax Commission in Carkin's Place

Holman to Leave Oregon Tonight for National Capital

Rufus C. Holman Tuesday resigned as state treasurer, effective January 3, and Governor Charles H. Martin later announced the appointment of State Senator Walter E. Pearson, Portland, as his successor. Pearson is a member of the state board of higher education.

Wallace S. Wharton, state budget director and executive secretary, to Governor Martin, was appointed a member of the state tax commission. He succeeds John H. Carkin, Republican, whose term expires January 1. Wharton is a democrat.

Both Governor Martin and State Treasurer Holman voted for Wharton with Secretary of State Shell voting against him. Carkin has served as a member of the state tax commission since June, 1929.

"It is obligatory upon all new elected members of this congress to present themselves to take their oath of office, receive their committee assignments and assure their duties generally on January 3," Holman's resignation read.

Holman said he would leave Portland for Washington Wednesday night.

The new state board of control will be composed of two republicans and one democrat. Republican members are Governor-elect Charles A. Sprague and Secretary of State Snell. Pearson is a democrat.

Pearson also has served two terms in the state senate and at the last legislative session was chairman of several important committees.

Wharton will have charge of the tax commission's utilities assessment division. Before becoming executive secretary to Governor Martin he was a Portland newspaperman.

Mrs. Harold Burkitt, only daughter of State Treasurer Holman, and her two children, Harold 5, and Barbara 3, will accompany him to Washington and remain there for two months.

Holman has served as state treasurer since the death of Thomas B. Kay during the Julius L. Meier administration.

Tribute Is Paid Retiring Members
Superintendents of virtually all state institutions and heads of a number of state departments gathered in the state board of control room Tuesday where they paid tribute to Governor Martin and Holman, retiring members of the board.

Governor Martin retires January 9, immediately following the inauguration of Governor-elect Sprague.

This was the last meeting of the state board of control as now constituted.

Tax commissioners are appointed by the board of control. Resignation Made After Conference

Holman's resignation, appointment of Pearson as his successor and Wharton as state budget director, followed an hour's conference between Governor Martin and Holman in the executive department.

Earlier in the day Holman had announced that he would not write his resignation until later in the week unless instructions were decided upon by the board.

Carkin, who retires as state tax commissioner January 1, refused to make any statement. Previous reports here indicated that Carkin would be reappointed.

The conference between Holman and Martin was held behind closed doors.

Local political observers said Governor-elect Sprague had refused to enter into any agreement to appoint a state treasurer recommended by Holman.

Sears Store Bomb Is not Turned up

PORTLAND, Dec. 27-(AP)-Detectives, after searching the big Sears and Roebuck store here since Saturday, were about convinced today that a bombing and extortion plot was a Christmas hoax.

Detective Captain J. J. Keegan commented it "doesn't look like there is anything to it."

A note demanding \$2500 was thrust through a cashier's window during the peak of the shopping Saturday. It threatened to blast the building unless instructions were followed. The store was evacuated but all efforts to find a bomb or to contact the writer of the note failed.

Walter Pearson State Treasurer



Walter E. Pearson, top above was yesterday named state treasurer to succeed US Senator Rufus Holman, who resigned as treasurer yesterday, effective January 3. Wallace S. Wharton, below, was named to the state tax commission to succeed John Carkin.

Flynn's Yacht Is Held as not Legal

Government Says \$25,000 Craft Bigger Than Law Allows Aliens

LOS ANGELES, Dec. 27-(AP)-The government today labelled Actor Errol Flynn's \$25,000 racing yacht, *Sirocco*, because it exceeds limitations permitted on alien-owned craft.

The Irish Flynn purchased the craft in Boston last March. It is more than 60 feet long, and listed at 31 tons. Asst. US Attorney Norman Neukon said technically no alien ownership of vessels is permitted, but that the government has customarily fixed a limit at 20 feet in length and five tons.

After filing of the action in federal court, Flynn's attorney, O. R. Cummins, offered two proposals to Neukon and US District Attorney Ben Harrison.

One was that the vessel be sold, subject to approval of the US attorney general. The second was that it be retained by a corporation with Flynn as a stockholder, owning less than 50 per cent of the stock. Harrison said both suggestions would be submitted to the attorney general.

Workers Escape Slide

ASTORIA, Dec. 27-(AP)-Several workmen barely escaped injury when a 400-foot slide dumped tons of dirt and rocks on the unopened section of the coast highway south of Arch Cape tunnel.

Hull Declares Faith Nations Of Americas to Keep Pledge

LIMA, Dec. 27-(AP)-Cordell Hull, at the close of the eighth Pan-American conference which forged a solid western hemisphere pledge against foreign aggression, tonight declared his faith the American republics would carry out "the program that has here been proclaimed."

The white-haired secretary of state of the United States spoke on behalf of 20 delegations in reply to President Oscar Benavides of Peru at the latter's farewell banquet. Previously Dr. Carlos Concha, Peru foreign minister, had declared the conference closed after the signing by delegates of all nations of the conference resolutions.

Secretary Hull warned the delegates, however, that "the utmost degree of vigilance which only those who love liberty are capable of exerting may be required" in fulfilling the conference declarations.

Pointing out that in other parts of the world "agreements that appeared to offer a foundation of stability and order have disappeared in the turmoil of events," the secretary of state said:

"We know that in much of the world trust in any form of agreement has completely vanished. We know that might has stated it would have its way and that it would recognize no equal except equal might."

"We know that ordinary ends of living have been subordinated in an attempt to create a vast and terrifying military machine whose first purpose must be to create terror and whose only final use could be to create ruin of the world we have fixed in our thoughts during this meeting. Such is the world we may have to deal with."

Calling attention to the fact that the conference agreements were expressed in declarations rather than in treaties, he said that was "wise when matters dealt with are of a general character and a political nature. The people of the American republics have a proud history of the use of declarations. Their national life has grown in and out of declarations of independence which mark their birth."

Dr. Concha told the plenary session it had "amply fulfilled expectations."

g Courses Schools Is Defense Plans

Roosevelt Okehs System to Give Instruction to 20,000 Boys

College Men Would Learn Civil Flying to Add to Trained Men

WASHINGTON, Dec. 27-(AP)-To provide pilots to man the nation's fighting planes in time of war, President Roosevelt today approved a plan for giving a course of instruction to 20,000 college students annually.

"Only by such an approach," said a simultaneous statement from the civil aeronautics authority, can the United States adequately safeguard itself against the vast aerial militarization programs now being pressed with fanatic zeal by foreign powers."

Both the president, who announced the plan at his press conference, and the authority, stressed that the prospective pilots would be trained first of all for civil aviation. The result, it was hoped, would be a stimulation of interest in private flying and a consequent increase in the productivity of American aircraft factories.

Building Pool of Men Goal
"It is more in keeping with the American spirit of preparedness," the authority said, "to build up a great pool of men and machines, dedicated to and engaged in the pursuit of peace, but yielding first place to no other nation in flying skill or technical development, and quickly adaptable to military needs in the event of war."

Mr. Roosevelt said in answer to questions that while the instructors would be army and navy fliers there would be no training in combat tactics. However, he added, it was to be expected that a proportion-of-the men trained would enter the army or navy reserve forces, and receive further training.

The president's announcement came as he prepared to send to congress recommendations for a vast expansion of the national defense. High officials have said the administration contemplates increasing the number of the nation's warplanes to some 13,000.

There were signs, however, that critics of vast increases in military spending were preparing for a fight. They indicated they would congress to scrutinize the need for such expenditures carefully.

Senator Adams (D-Colo.) said the danger of a foreign invasion was much less than the danger of economic collapse from the unbalanced budget. Rep. Fish (R-NY) declared "war mongers of the new deal" have unnecessarily alarmed the people.

Arsonist Hunted After two Fires

PORTLAND, Ore., Dec. 27-(AP)-Fire investigators sought an arsonist following two factory fires causing approximately \$20,000 damage within an hour tonight.

The factories, the Great Northern Casket company and the Portland Box and Lumber company, are located only ten blocks apart.

The casket company suffered damage to a storage shed and shop. The fire damaged the wooden portion of a frame and brick building at the lumber company. The company is only a few blocks from the western foundry, burned several weeks ago with a loss of \$75,000.

Zona Gale Dies From Pneumonia



Pulitzer Winner Knew Small Town

Prolific Fiction Is Drawn From Life of Midwest "Typical Cities"

CHICAGO, Dec. 27-(AP)-Zona Gale, the novelist best known for her portrayal of life in small midwestern towns, died tonight in Passavant Memorial hospital. She was 65 years old.

The Portage, Wis., author, who was the wife of W. L. Breese, a manufacturer, died of pneumonia. She had been placed in an oxygen tent almost a week ago. Yesterday she began sinking rapidly. Her husband was at her bedside.

She was brought here for treatment of another ailment and was transferred to Passavant hospital when pneumonia developed.

"Miss Lulu Bett," which won the Pulitzer prize in 1921, was her best known work.

Her prolific works specialized on small town life. Hence she lived at Portage, with a population of about 6000. She was the "first citizen" of the town, considered a "typical" city of the middle west.

Governor Refuses Dyer Extradition

Clerical Error in Paper Is Cause of Refusal to Grant Request

Governor Charles H. Martin Tuesday refused to grant the extradition of Mrs. Ollie S. Dyer, in jail at Klamath Falls charged with the murder of her mother at Pineville, Mo., until the requisition papers show the correct date of the alleged crime.

The papers presented to Governor Martin showed that the alleged murder was committed February 3, 1938, while Mrs. Dyer was a resident of Klamath county.

Assistant Attorney General Wade contended that this was a clerical error and that the papers should have read February 3, 1933, while Mrs. Dyer was living in Missouri.

Attorneys for Mrs. Dyer said the charge against her was based on a confession by Jack Dyer, her husband, after she had sued him for a decree of divorce.

The husband also was arrested on a murder charge, waived extradition hearing and is now en route to Pineville, Mo., accompanied by two officers.

Details of the murder were not contained in the requisition papers received here.

Eastern Portions Of State in Snow

PORTLAND, Dec. 27-(AP)-While snow or prospects of snow prevailed in eastern Oregon tonight, Portland and the Willamette valley enjoyed mild, cloudy weather and a light rain, blown about by a gusty wind more reminiscent of March than December.

The minimum Portland temperature was 37 degrees, only two points less than the maximum.

Representative minimum temperatures included: Baker 22 degrees, Bend 26, Brookings 33, Hood River 26, Lakeview 22, Medford 30, Newport 33, North Bend 33, Pendleton 28, Roseburg 34, Siskiyou Summit 22.

Man Badly Hurt By Hook Assault

PORTLAND, Dec. 27-(AP)-Vincent Smith, 47, a logger, was attacked and seriously injured by an unidentified man wearing a wire hook to replace an amputated right hand. Smith, who suffered long, deep gashes crisscrossed on his head and face, declared his assailant "tried to butt into a game."

France Rushes Naval Units to African Colony

Governor of Somaliland Sends Urgent Call for Reinforcements

Italian Troops Occupy Important Oases on Arid Frontier

PARIS, Dec. 27-(AP)-France started reinforcement of her east African colony, the Somaliland against Italian pressure for a bigger empire today by rushing a warship to Djibouti.

The 1969-ton dispatch boat, D'Iberville of the French East Mediterranean fleet, steamed south from Beirut, Syria, to the Somaliland port. Other naval units were expected to follow her into the Red sea as the result of an appeal for reinforcements from the governor of Somaliland. France has no fleet in the Red sea.

Djibouti Chief Ethiopian Outlet
Djibouti, by its railway connection with Addis Ababa, is the principal outside link for Italy's Ethiopian empire.

Simultaneously, it was learned that Italian military caravans have occupied and have been holding for 18 months some oases in the disputed, arid frontier between France's Somaliland and Italy's Ethiopia.

The foreign ministry announced, however, that no official confirmation could be found for press reports of mass concentrations of Somaliland troops in Ethiopia facing Somalia.

An official points out that the frontier region is a vast expanse of desert where mass movements of troops would be difficult.

Admitted Italy Has Grabbed Oases
But it was acknowledged that small units of Italians had taken "three oases" to which France also had laid claim, but has not occupied with soldiers.

These occupations, however, were viewed as a far cry from reported preparations for an Italian invasion of Somaliland.

The border was changed by a mass of 1873, but some points never had been fixed clearly. A geographical mission has been expected to go to the zone to clear up the matter.

Nevertheless, the French government continued to tighten its hold on its African empire against Italian aspirations.

Daladier's Trip To Open Jan. 1
Announcement of the program of Premier Edouard Daladier's trip to North Africa showed he would be gone from January 2 to January 10. He will stop for only a few hours in Corsica and then proceed to northern and southern Tunisia and Algeria and in effect conduct a counter-demonstration of French and naval might on the flank of Italy's Libya.

Although apprehension has been expressed over the trip of British Prime Minister Neville Chamberlain to Rome January 11-14 for fear Premier Mussolini may attempt to win him over to his side on African territorial issues, officials said here no plans had been made for Chamberlain to stop off in Paris first.

Foreign Minister Georges Bonnet has made it clear to the British ambassador, Sir Eric Phipps, it was said, that France can grant no territory to satisfy Italy.

Tax Exemption Is Asked for Unborn Child by Parents

WASHINGTON, Dec. 27-(AP)-A father and mother asked the board of tax appeals today for an income tax exemption for an unborn child.

Lloyd E. Wilson and Elsie M. Wilson, San Francisco, Calif., brought forward the claim to refute the internal revenue bureau's contention they owed \$6.18 income tax for 1936.

The parents said their daughter, Helen Wilson, was born Aug. 11, 1936.

"The respondent (the bureau) erred by failing to allow an exemption for the dependent daughter, Helen Wilson, for the period Jan. 1, 1936, to date of birth, Aug. 11, 1936, when this daughter was a dependent and a legal person," the petition said.

The Wilsons contended income tax collectors should realize that costs of supporting a child begin long before the baby is born.

Sprague Congratulates Pearson on Appointment

Governor-elect Charles A. Sprague Tuesday sent a telegram to Walter Pearson, Portland, congratulating him upon his appointment as state treasurer to succeed Rufus C. Holman.

"I am sure we can work together in the best interest of Oregon," the telegram read.

Hollywood Stars Seek Severing Of US Relations With Germany



The Hollywood Committee of Fifty-Six, comprising motion picture actors, writers, producers and directors are signing their own "declaration of independence," prior to national circulation, seeking severance of economic relations with Germany during the present unsettled period. Left to right, seated: Melvyn Douglas, James Cagney, Edward G. Robinson and Gladys Stuart. Back row: Gale Sondergaard, Mrs. Melvyn Douglas and Henry Fonda.—(Acme T-photos.)

Loyalists Prepare Transfer of Seat

Capital to Be Withdrawn From Barcelona While Rebels Gaining

HENDAYE, France (At the Spanish Frontier), Dec. 27-(AP)-Spanish insurgent armies were credited with new gains in Catalonia today and the Spanish government was reported considering the transfer of its capital from Barcelona, chief objective of the insurgent offensive.

In the five days of the new drive insurgents estimated they had cut 230 square miles from Catalonia, the northeastern third of government Spain which is separated from the Madrid-Valencia area by an insurgent wedge to the Mediterranean 100 miles southwest of Barcelona.

A shift of the governmental capital from Barcelona to the south was regarded as certain if the insurgent advance approached Barcelona itself. Advances reaching the border from the government zone said such a move was being considered, but these reports were without official confirmation.

Mentioned as possible sites for the seat of government were Valencia, Cartagena and Albacete, all in the southern two-thirds of government Spain. Cartagena is about 150 miles south of Valencia on the Mediterranean coast, and Albacete is 100 miles inland.

Two others were identified by US Dist. Atty. Gregory Noonan as Mary Brandino and her brother, Joseph. The Brandinos, Noonan added, were charged with the same offense as was Cragg. They were said by federal investigators to have been associated with Coster-Musica in a Brooklyn drug business in 1920. Other arrests were ordered.

Citizens' Bank Is Asked at Astoria

ASTORIA, Dec. 27-(AP)-Application for authority to organize a citizens' bank of Astoria was filed today with the state banking department by local citizens.

The proposed bank would have a capitalization of \$50,000 with \$10,000 surplus. The last local bank disappeared when purchased by the United States National of Portland in 1937.

Eleanor Dislikes Grenades as Toys

WASHINGTON, Dec. 27-(AP)-Mrs. Franklin D. Roosevelt stiffened her opposition to military toys again today when she heard that those on sale this Christmas included toy soldiers throwing hand grenades, operating machine guns and carrying stretchers.

Shortly before Christmas, Mrs. Roosevelt relaxed her customary stand against military toys with a statement that toy soldiers marching might not be harmful to children if their parents explained to them the sacrifices soldiers make to defend the country.

At a press conference today a woman reporter told Mrs. Roosevelt of "ghastly" new toys sold this year. The first lady said they were unwise and unfortunate.

Second Panel Selected For James Hines Trial

NEW YORK, Dec. 27-(AP)-A special panel of 250 veniremen was drawn today for the second trial of James J. Hines, Tammany district leader, accused of conspiracy in the policy racket. The trial is set to start January 23.

The first attempt to convict Hines ended in a mistrial September 12.

Glamor Girl Makes Her Bow In Debut, but Her Feet Hurt

NEW YORK, Dec. 27-(AP)-Dark-eyed Brenda Diana Duff Frazier, widely publicized as America's No. 1 debutante "glamor girl" of 1938, made her formal bow to society tonight in a Neo-Byzantine setting of gold and moonlight at the Ritz-Carlton hotel.

Before an assemblage of 1,200 guests, with two orchestras playing continuously from 10:30 p.m. to dawn, the slender, 17-year-old Brenda was the central figure against a background of mirrors, white ostrich-feather Christmas trees, and exotic red and white flowers washed by roving spotlights.

Unofficial estimates of the cost of the "coming out" party, the major year-end event of the season, ranged as high as \$50,000.

The reputed all-time "tops" for debut parties, from a financial standpoint, was the \$250,000 coming-out of Marjorie Gould in 1929.

In the 1929-30 season, the most dazzling of the late prohibition era, deb parties averaged \$12,000 each compared with \$8,000 this year.

Mercury Falls To Zero Mark In 10 States

Attribute Dozen Deaths to Cold, Wind and Wet Highways

Michigan Blizzard Halts Communications, Hits Lake Traffic

(By the Associated Press)
Buffeting winds whisked the worst cold wave of the new winter toward the Atlantic seaboard last night.

Temperatures fell as the frigid weather advanced to the east, and south from the icy west, where sub-zero readings were reported in 10 states and a minimum of 37 below zero was recorded at Warad, Minn., on the Canadian border.

At least a dozen deaths were attributed to wind, cold and slippery highways. Snow, sleet and rain hampered traffic in many districts.

Michigan Points Are Snowbound
Snow ranging up to eight inches drifted quickly in Michigan but off-lake gusts abated as the thermometer dropped toward zero. Marquette was virtually snowbound. Manistique was without telephone or telephone service. The coast guard reported the strongest seas in years swept off Lake Michigan.

The blizzard disrupted communications at Salt Ste. Marie and between Petoskey and the Straits of Mackinac. Some secondary roads were blocked by snow. The coast guard reported the strongest seas in years swept off Lake Michigan.

A woman was killed near Hudson, Mich., when a car driven by her husband was blown into the path of a truck.

Gale Howls Over Buffalo, N. Y.
A 61-mile-an-hour gale roared through Buffalo, N. Y. Ropes were strung along some streets in the business section to enable pedestrians to keep their feet. One man there died of exhaustion while chasing his hat. Another succumbed to a heart attack while bucking the wind.

Toledo, O., was threatened with the loss of its water supply. A steady, 30-mile wind blew the water away from the intake pipes in the Maumee river and into Lake Erie. The river dropped seven and a half feet from its normal level.

Guide ropes were stretched along downtown sidewalks in Erie, Pa., when the wind reached a velocity of 46 miles an hour. Waves on Lake Erie, lashed to a height of 30 feet, bowled over trees on Presque Isle state park.

Snow Flurries In Pennsylvania
Snow flurries swirled across western Pennsylvania in the wake of a weekend storm. A temperature of 10 above zero was forecast for the day.

The wintry belt extended from Canada almost to the Texas coast. It was expected to broaden rapidly. Forecasters said the cold blast would penetrate the southeast overnight and reach as far as northern Florida.

Temperatures in the twenties or below were forecast for Virginia, the Carolinas, central Georgia and Tennessee.

Snow, sleet and rain beset New England and upstate New York. New York City, enjoying 52 degree weather, prepared for a drop to 25. Freezing conditions in western Maryland were accompanied by a ten inch snow in Cumberland.

Chicago Mercury Nearing Zero
Chicagoans literally were shocked when the temperature there fell to four above zero a plunge of 22 degrees in 13 hours. But they stoked their fires anew when the weather bureau warned it would descend to two below in the city and six below in the suburbs by morning. The most recent sub-zero siege there was on Feb. 19, 1936.

Rotary snows cleared highways in Minnesota after a holiday storm left huge drifts on the roads. Many motorists who had been marooned in farm homes continued their journeys.

Editors of Time Pick Nazi Chief For Man of Year

NEW YORK, Dec. 27-(AP)-Time magazine's man of the year 1938 is Adolf Hitler, selected by the editors as the most "newsworthy" in the past 12 months.

Instead of the customary photograph on the magazine cover, however, Time publishes an etching by Baron Rudolph Charles Von Ripper, Catholic emigre, showing Dr. Fuhrer as "The Unholy Organist" playing a hymn of hate.

"His picture," the magazine explains, "symbolizes the degradation of Christian ideology in Nazi Germany."

Count records disclosed recently that Miss Frazier's fortune is estimated at \$4,000,000 to \$5,000,000.

Asked how it felt to be the top "glamor girl," whirled through parties day after day, night after night, the rough-lipped Brenda said with a grimace:

"I love it. But, golly, my feet hurt!"