No. 43

EIGHTY-NINTH YEAR

Salem, Oregon, Tuesday Morning, May 16, 1939

Price Se; Newsstands 5e

## Drager and Richardson Jointly Indicted

#### Shipper Right To Close Port **Decided Today**

Decision May Break up Deadlock, Reopen Portland, Hope

Weinstein's Resignation Unexpected; Astoria Handles Traffic

PORTLAND, Ore., May 15-(AP)-West Coast Waterfront Arbiter Wayne L. Morse said tonight he would announce a decision at 11 a.m. Tuesday whether the waterfront employers of Portland had the right to suspend relations with dock workers, thus tieing up the port of Portland, without first resorting to arbitration.

He said that after rendering this decision he would delve into employers' charges, made at an arbitration meeting tonight, that longshoremen first violated the contract by refusing, since May 1, to work the freighter William Luckenbach. He stated also he would decide whether the Luckenbach case was of coastwise significance or whether it fell within the jurisdiction of a port or local

Hope was expressed along the waterfront that the 11 a.m. decision would end the closure and that later arbitration would be conducted after the port was op-

tein Hits Morse aking Jurisdiction den resignation of Samuel

B. Weinstein, waterfront arbiter, today complicated efforts to settle the five-day-old port of Portland

Weinstein's resignation gave as a reason the "untenable" position of Wayne L. Morse, arbiter for the west coast waterfront, in assuming jurisdiction over the unionemployer dispute here. The resignation was submitted to Labor Secretary Perkins.

Morse commented that the resignation "complicates the emer-gency situation existing in this port because there is still open the question as to whether the Luckenbach picketing issue is a local or coastwide issue. My preference . . is that Mr. Weinstein reconsider his resignation."

Morse ruled employers could present testimony on the tie-up of the Luckenbach which was pertinent to the port closure. He made it clear, however, he would not accept testimony applicable solely to the Luckenbach dispute.

In a statement, Weinstein said "I was ready and willing to determine the issues between the parties if all and not a part of the is-sues were to be determined. A maneuver which avoids the primary principles of arbitration I will not countenance.

Meantime, ships with cargo des-tined for Portland discharged at Astoria, at the mouth of the Columbia river, for transfer here by rail. Astoria longshoremen said they would not object to handling inbound cargo, but outbound ship-ments diverted from Portland were considered "hot."

#### Mine Union Moves his attorney told a justice of the To Halt Opening dent was innocent of murdering two automobile salesmen.

(By The Associated Press)

The nation's largest labor union, John L. Lewis' United Mine Workers of America, moved Monday to prevent reopening of southern bituminous mines whose owners he had lured them for an automobile demonstration. ers shied at the union shop clause in a new contract which permitted eaceful resumption of operations

confessed shooting Peterson and Koury as they were bound help-lessly, C. E. McKinney, attorney retained to represent the youth, answered "not guilty" when each complaint was brought forth by Justice of the Peace Mayor West. After Kentucky mobilised na-

### Perjury Trial of

Roundup of Suspects in Poison Ring Case Nearing Con



#### All Ringleaders Held now, Claim

**Bolber** Is Master Mind if any, Prosecutor Says; to Speed up Cases

The law's drive to smash Philadelphia's astonishing insuran o murder racket sped toward wholesale prosecutions today with anent all ringleaders are in custody and the search for a "mas-

Assistant District Attorney Vincent P. McDevitt, seeking murder indictments against half a dozen tion's executives" were so "dou-ble-crossing" in their deadly schemes to collect life insurance that no member of the group had absolute authority.

McDevitt said if any one could be designated as the ring's boss it was Morris Bolber, 48. self-styled "faith healer" and "psychiatrist," who kept a Brooklyn delicatessen until he surrendered recently to police here.

"He's a smart one," McDevitt observed. "One of the top figures . . natively shrewd and clever . has considerable intelligence. . speaks ten languages.

"If he is not the single, outstanding leader, then it appears that there was a group direction of this ring; that it acted under a sort of board of directors—a real business organization—you could almost say that they voted on bus-

Reiterating estimates that the total of ring victims may reach 100 and include deaths in Brook-McDevitt termed the plotters "the most complex, double-dealing. double-crossing gang I've ever

He moved to obtain indictments this week against one-fourth of group of 24 men and women held ods employed by the syndicate and its "customers" in what a trial judge called a "mad quest" for insurance money.

#### Burgunder made his first court Must Get Permit To Set Fire Now

on forest and adjacent lands became effective yesterday, the state After Kentucky mobilized national guardsmen around Harlan county mines, Lewis last night repeated his atatement that "Guns and troops will not mine coal," and suggested a federal investigation of the mobilization.

Addressing a national convention of the United Textile Workers (CIO) in Philadelphia, he said, "I believe there is an obligation on the part of the federal government to ascertain what Happy Chandler (Gov. A. B. Chandler)—is doing with those troops in Kentucky."

He accused Chandler of attempting vengeance on the CIO because, Lewis said, the miners voted against him for the US senate last fall.

Koury as they were bound help-lessly, C. E. McKinney, attorney retained to represent the youth, answered "not guilty" when each complaint was brought forth by Justice of the Peace Harry Westfall.

Preliminary hearing on both charges was set for 1:30 p. m. May 22. Burgunder was returned to the county jail without bond.

Valley Project Is Assured

Opening Work This Summer

Washington, May 15.-(P)— fiscal year, starting in July, 1939, During the closed season it is

rjury Trial of the senate today a bill appropriating \$172,000,000 for flood control, \$96,000,000 for river and harbor work and \$37,188,514 for other non-military activities of the

Officials announced in Philadel

phia Monday that the amazing "poison, ring" roundup was

nearing an end and that prose-

cutions would start soon. Up-

per picture, Mrs. Meyer Shenk

man, arrested for investigation

of her husband's death, is

shown with a detective; below,

Mrs. Willie Giacobbe who, after

being accused of her husband's

poison slaying, twice attempted

Burgunder Doesn't

Say He's Guilty

PHOENIX, Ariz., May 15 .- (AP)-

Unemotional Robert M. Burgun-

der, jr., stood in court today and

peace the 22-year-old college stu-

Although County Attorney

Richard Harless said Burgunder

EUGENE, May 15-(P)-Trial of Hugh W. Reynolds, former local labor council secretary charged with perfury, opened in circuit court today.

Reynolds, arrested during a state-wide roundup of alleged inbor terrorists a year ago, was convicted of complicity in breaking windows of non-union barber abons, but the supreme court re-

WASHINGTON, May 15.-(P)- fiscal year, starting in July, 1939 After refusing to reduce the total, for this project. Plans and specifications will be ready by July 1 army engineers said.

Unit appropriations include \$1,-480,000 for the Cottage Grove reservoir, the full estimated cost; \$1,755,000 for the Dorena reservoir, about half of the cost; \$1,-489,300 or more than half the cost of the Fern Ridge reservoir; \$500,000 for relocation of the Santiam highway around the proposed Detroit reservoir; open river improvements \$350,000; Tualatin river improvements \$160,250; and

#### Oregon Cooler Embezzlement From County Although Rain Fails to Show

Forest Fires on Coast and in Washington out of Control

Thunderstorms Dampen Forests but Start 31 Little Fires

Cooler weather promised Salem for the weekend showed up yesterday with a trifling 69-degree maximum compared to the record breaking 94 and 93 of Saturday and Sunday. A good breeze under cloudy skies fanned the city and more of the same weather is fore cast today.

PORTLAND, Ore., May 15-(P)-A thunderstorm splashed forest fires and raindrops over southern Oregon today as a blaze went out of control on Round Top mountain in the Coast range.

Temperatures over the state retreated from sizzling levels of Saturday and Sunday, but general showers, predicted for western sections, failed to end the 61-day

The Round Top fire, 23 miles northwest of Forest Grove, was thought controlled yesterday but broke out to menace the Wedeburg sawmill. Earlier reports said the mill had been destroyed. The fire covered about 3000 acres of land, burned two million feet of virgin timber, a million feet of logs, \$1500 or equipment and the homes of three loggers.

The lightning storm started 31 small fires in forests of southern Oregon. All were confined to small areas. Accompanying rains were too light to remedy drought conditions. The storm moved inland to central Oregon, giving Bend a trace of rain. Sharp Moisture Rise

Sharply rising humidity aided in checking coast fires and a 1000acre blaze on the Chetco river in southern Oregon. A trace of rain fell at Newport Sunday.

Rising humidity and overcast (Turn to page 2, col. 1)

#### 3000 Berry Jobs Are yet Unfilled

Crop to Rot in Fields, Fear; few Sign up at Local Office

The Salem office of the state employment service can place up to 3000 pickers to the Washington county berry fields if it can get them, Ralph M. Coleman, district manager said yesterday. Fewer than 20 signed up over the weekend, when the local office was kept open to register lerry

As in Multnomah county, the direct relief rolls have been largely cleared of employables.

PORTLAND, May 15-(AP)-Jobs are going begging around here and there's nothing the state relief commission can do about

Washington county needed 1500 strawberry pickers today and Multnomah will need many

"There aren't that many employables on relief in Multnomsh county," said one relief official.

The situation isn't limited to the Portland area, administrator Elmer Goudy said. Practically no employable persons are left on relief rolls in Eastern Oregon

have surpluses. Figures do not

include WPA employment, Goudy said no figures were available for the state as a whole, but Multnomah county's case load (family units)—numbers in persons would about tri-ple it—dropped from 6731 in March to 6013 in April, cutting expenditures from \$120,004 to \$106,396. However, the huge de-

very few other counties

mand for workers only began The huge Washington county strawberry crop will rot on the vines unless pickers show up at once, the state employment service said. Workers merely have to sign through a branch office at Cornelius to go to work at

Available jobs in other sections are about filled by relief roll

#### Late Sports

weight protege of Jack Dempsey, scored a technical knockout over Mario Lani of Italy in the fifth round of their scheduled 10-round bout tonight, Boyd weighed 186, Lani 188,

#### Charge; Bonds Set at \$1500 Council Votes Voluntary Bonds Filed Against Funds By Treasury Officials

in Portland Parade Is Lost Again

House Canvassing Ban Introduced Would Hit Solicitors

Once more a proposal to allocate city funds to assist the Cher-rians in placing a float in the Portland Rose Festival parade was turned down by the city council, as by an 8 to 5 vote it last Hull to Oppose night rejected a resolution, introduced by Aldermen Frank E. Loose and Ross Goodman, that the special publicity committee be allowed to spend up to \$500 for publicity purposes during the current summer.

While the resolution made no mention of the Cherrians, Alderman Loose explained to the council that the money would be turned over to that organization. Aldermen French, Davison, Perrine and Laughlin objected to the resolution on premise that there is no budgeted fund from which the money might be drawn, while Alderman Glenn Gregg, said he couldn't conscientiously vote for the resolution as the citizens of Salem had already turned down a similar proposal by ballot.

Hope Is Expressed For Publicity Fund amount could be budgeted to them for City of Salem publicity pur-

Voting against the resolution were Aldermen Perrine, Laughlin, Brown, Davison, O'Hara, Gregg. Lear and French, while for it were Clark, Goodman, Loose, Marshall

House to house solicitors and salesmen will be virtually outthe ways and means committee and referred to the police committee, passes. Known as the 'Green River' bill, for its origination in Green River, Wyo., it deprivate property without an invitation or request to be a nui- annually. sance and provides penalties for

Bids for the east side fire station, five in number, were opened, read and referred to the fire committee, fire chief and building inspector. They were: Charles Gilbert, jr., \$16,693.16? Erwin E. Batterman, \$16,550; Carl Bahl-

Mayor W. W. Chadwick appointed Aldermen Willis Clark and Frank Loose to a committee to work with the chamber of commerce on future civic plans for the city, an appointment requested by the chamber of commerce by

Authorized were: 12 new chairs, not to exceed \$60 in cost, for the city fire department; a pedestrian crosswalk on the east side of 19th street, across State; a street light U. S. airways observer James supply fund project, which referat South Liberty and Superior Dinegan as slim, blond and "about red to authority granted by Hop-streets; and pavement of the alley in block 13, from west line of gasoline, no radio, a few sand- vid K. Niles. another Washington

#### Far-off Klamath Plans Power Bid

-Klamath county grange members, although we'll beyond planned terminals for the Bonneville dam transmission lines, decided today to organize a public utility district to obtain power from the day.

Geraldine Lafluer, 15 months old, drowned today when she fell into a five-gallon can of skimmed milk at the farm home of her parents.

Ber (R-NY. Shillit's reply was that the project had had the effect of splitting administrative expenses in two.

Parking Meter Investigation

The grangers also recommend ed government construction of a commercial fertilizer plant at the dam, charging that an alleged chlorate monopoly kept prices too

Another resolution asked the California and Oregon game commissions to appoint joint committees for a study of an asserted over-population of mule deer and consequent range shortness in consequent range shortages in

#### Man Sits on Rail

Until Train Hits

# For Rose Fete Protect County Losses

\$500 for Salem Float \$18,020 Check Received From Surety Company Is Cashed Already; Balance of Shortage Reported now Under Adjustment

> Surety bonds covering the services of County Treasurer David G. Drager and his former deputy, William York Richardson, who were indicted yesterday, will protect the county fully from loss of the \$23,520.41 which the grand jury charges is missing, the county court announced yesterday.

> > not otherwise repaid.

Drager last November.

Drager's company has been giv-

The question of who shall pay

the \$4946.33 balance of the short-

age is being adjusted between the

American Surety company and the

Massachusetts Bonding & Insur-

ance company. The latter firm is-

#### >\$18,020.41 tendered by the Amer-Holman Fir Bil

Restriction on Export of Plywood Logs Claimed Anti-Trade Program

WASHINGTON, May 15-(AP)-The senate commerce committee today concluded hearings on a bill to restrict export of Douglas fir lywood logs with presentation of letter from Secretary of State Hull opposing the measure.

His letter said the measure, by Senator Holman (R, Ore.) would be inconsistent with the administration's trade program and likely to lead to retaliatory measures. The secretary wrote that "un-All those voicing opposition ad- der the reciprocal trade agree

mitted they would like to see the | ments program, we are making Cherrians have adequate funds for | significant progress in the restoratheir float, and were in hopes tion and expansion of our foreign that by next year an appropriate trade, which is of such great imtrade, which is of such great importance to the prosperity of this country.

"The fundamental inconsistency between this liberal trade policy and the proposed export restriction is apparent.'

F. A. Silcox, the United States chief forester, however, testified face "want and misery" if it does lawed in Salem if a bill for an not change its lumbering policies ordinance, that was introduced by and "bridge the gap between exthe growth of new trees to sawlog size."

Silcox said Washington and Oregon cut 9.5 billion board feet clares the practice of going onto of lumber a year and the forests grow but 2.7 billion board feet

the Pacific Northwest Loggers association, said the only result of the bill would be to send foreign buyers to British Columbia competitors of the Washington and Oregon plywood producers.

#### burg, \$16,099; Henry G. Carl, Flying Gas Tank' Hops for Sweden

BANGOR, Me., May 15.—(AP)—A general operations of the WPA, young Swedish flyer, piloting what he said, although they did not get airport attaches called "a flying annual leave nor sick leave, as gas tank," took off here today did those on the administrative for Newfoundland and the start payroll. of what he said would be a nonstop flight to his homeland.

Carl Backman, described by Church street to east line of High. wiches and a bottle of coffee when official of the WPA, on July 23 he hopped from Bangor airport 1938. Hopkins, formerly WPA ad at 7:45 a. m. (EST) in a tiny ministrator, is now secretary of

Drowns in Milk

#### **Neither Makes** Statement on Jury's Charge

Amount Allegedly Taken \$23,520.41; Defense Plans Reported

Arraignment Time Isn't Set; Grand Jury Work on Case Finished

County Treasurer David G. Drager and William York Richardson. his former deputy, were secretly The court has already received and cashed a check for indicted by the Marion county grand jury yesterday afternoon an ican Surety company, which isa charge of larceny of \$23,520.41 sued the \$45,000 bond covering of public money, the principal sum the treasurer. This company has the secretary of state's division of agreed in a letter to the court to audits reported in February as make up any further deficiency missing.

The joint indictment completed the grand jury's task of probing en credit for \$500 additional rep- into the fund discrepancy, which resenting the aggregate of the the audit described as a shortage. A bench warrant was immedi-

treasurer's monthly salary checks since December 1, which have ately served on Drager in his ofbeen withheld. The county also fice and he posted \$1500 bond. has \$53.67 in salary due Richard- Richardson came to the courtson before he was dismissed by house to accept service of the warrant against him in response to a telephone call from the sheriff's office. His bail was set at the same figure by Circuit Judge L. H. Me-Both Parties Silent

Neither man commented on the

"The grand jury is through with

the case," reported Francis E.

Marsh, McMinnville attorney who

was appointed special assistant

attorney general to conduct the

probe. Declining further comment,

he said only that he would return

to try the case, in accordance with

his assignment from the attorney

No time for arraignment of the

two men was set. It was under-

stood Custer E. Ross would repre-

sent Drager and Edwin Keech

The indictment specifically

charged Drager and Richardson

with embezzlement and fradulent

conversion of county funds in vic-

lation of a statute which sets up

three possible charges under the

heading of larceny of public mon-

ey. It cited their continuous, long

time service in the treasurer's of-

fice and as a date for the offense

alleged listed October 31, 1938,

cial audit of their official affairs.

Parade of Witnesses

Includes 18 Persons

the last day covered by the spe-

Thirteen witnesses appeared be-

fore the grand jury including

Drager and Richardson by their

own request. Others listed were

S. W. Starr, supervisor of the di-

assistant to Starr; C. C. Spears,

private investigator; C. C. Ward.

deputy county clerk; Robert

Amos, member of Starr's staff;

John C. Siegmund, county judge;

U. G. Boyer, county clerk; Leroy

Hewlett, former county commis-

sioner; William McKinney, John

Lichty, W. I. Staley and Live J.

The indictment was endorsed as

true bill by George E. Glover,

Treasurer Dreger's bond was

signed by U. S. Page, abstractor, and Gerald Volk, retired. He re-

turned to his office after filing

the bond with the county clerk

and remained until closing time

First inkling that accounts e

the treasurer's office were not in

order was given by the state audi-

tors in their general report on

county offices for 1937, which they filed with the county court

last November 14. The report

Loted a discrepancy of \$23,035.53

between cash and fund balances is

After corducting a special addi

tional audit, the auditing division on February 3 reported a shortage amounting to \$23,534.23 in the

treasurer's office. Treasures Drager subsequently paid \$13.81 out of his pocket to make up a

discrepancy of that amount in his

trust fund, leaving the \$23,526.41

shortage mentioned in the grand

Richardson was discharged by Drager following the November

audit report. He had been in the

treasurer's office since 1902, as deputy since Drager became treas-

urer in 1915, and for a time be-fore that year as treasurer.

Sidewalk 'Cyclists

foreman of the grand jury.

Page, district attorney.

as usual.

the treasury.

jury's charge.

would defend Richardson.

On Jury's Action

sued a \$5000 bond covering Richgrand jury's action. At the time ardson. of the audit report both denied Both men have mortgaged their ever having received any county real estate and mining stock to money other than their

#### **Excess Overhead** Charged to WPA

Investigators Are Told **Ohio Office Outlays** 

**Exceed Law Limit** WASHINGTON, May 15 .- (AP)-Testimony that a system set up and "bridge the gap between ex-haustion of the larger timbers and Hopkins had enabled the WPA in Ohio to spend more for administrative expense than the law allows was received by a house in-

vestigating committee today. It came from George J. Shillito, committee investigator, who said he had been furloughed some

vision of the WPA. He estimated administrative costs of the work relief organization in Ohio amounted to 8 or 9 per cent of total expenditures. Representative Woodrum (D-Va) pointed out federal law limits such outlays to 5 per cent,

Shillito testified that, in addition to 1,119 persons carried on the rolls as administrative employes, there were 1200 assigned to what was known as the "state supply fund project." The latter actually joined in administering

The investigator produced a state WPA order of last December 10, 1938, dealing with the

the books from showing that the administrative expense is as high PANORA, Iowa, May 15-(R)- as it actually is?" asked Rep. Ta Geraldine Lafluer, 15 months old, ber (R-NY.

#### Parking Meter Investigation Boosted Along by Council

The special traffic committee of meters upon Salem business men the city council was authorized to if they did not want them. "We investigate parking meters and to sent up a trial balloon when we them, the city recorder was auththem, the city recorder was authorized to advertise for proposals for installation of parking meters, and sanction was given for the extension of an invitation to Commissioner Ormond R. Bean of Portland to advise the city in regard to parking meters, by a resolution passed by the council last little parking meters, said O'Hara, "and we certainly didn't meet with 100 per cent approval."

Because the resolution but authorizes further investigation, was given by O'Hara as his reason for voting for it.

By motion of Alderman Willis Clark the council endorsed the "Clean-up. Paint-up. Build-up

hold public hearings concerning passed the ordinance legalizing parking meters," said O'Hara,

By motion of Alderman Willis Clark the council endorsed the "Clean-up, Paint-up, Build-up state-wide roundup of alleged inbor terrorists a year ago, was convicted of complicity in breaking
windows of non-union barbor improvements.

Alderman of the war departnoing testified falsely in his earnoing testified falsely in his ear-