

Vacation Days

Are here promising plenty of pleasure. Your trip will be even more pleasant if you call 9101 and have The Statesman follow you with the news of home.

The Weather Unsettled with local showers today and Friday. Max temp. 74, min. 48. River 1.5 ft. West wind.

Deputy Admits Falsification, Is Testimony

Three Groups In Convention Name Officers

Fredricka Dutton Heads Daughters of Vets; Meet Ends Today

Madison Sons' President and Mrs. Ray, Salem, Auxiliary Chief

Daughters of Union Veterans of Civil War, meeting in Salem for their 21st annual convention this week, elected Mrs. Fredricka Dutton of Portland president yesterday.

Other officers are Alice Horning of Salem, senior vice-president; Elsie Mae Clingo of Hillsboro, junior vice-president; Virginia Cynn of Roseburg, chaplain; Amelia Handy of Portland, treasurer; Ethel Burns of Newberg, Eva Hoffner of Portland, and Lillian Simonson of Astoria, council members; Grace Reese of Portland, patriotic instructor; Faith Wallace, inspector; Sue Breckenridge of Albany, delegate at large; Mabel Needham of Salem, alternate at large, and Ora Cox of Medford, national officer.

Delegates to the national convention will be Mary Robbins, Clarissa Devereaux, Virginia Brogren, Susie Stannard, Helen Dickover, Winnifred Millard, Lillian Simonson, Edna Kindred and Elva Craig.

The convention swings into its final day this morning with a business session, scheduled for 8:30 at convention headquarters at the Elk's lodge. It will be followed at 12:15 by a past department presidents' luncheon at the Spa. The convention will close with installation of officers this afternoon.

Organized Group of Granddaughters A granddaughters' group was organized as an auxiliary to the Daughters of the Union Veterans at a luncheon yesterday noon. Miss Marie Bennett, Portland, was elected president and Jean Johnson, also of Portland, secretary treasurer. Theodore Penland, department commander of the Grand Army of the Republic, was named "granddaddy."

Memorial services were held during the morning session, and a parade size troop flag was presented to Boy Scout troop 20 of Hayesville. Following the annual formal banquet last night, exemplification of ritual by Martha Bamford tent 16 of Eugene closed the second day of the convention.

E. W. Madison of Grants Pass was installed as department commander of the Sons of the Union Veterans of the Civil War, and Mrs. Bertha Ray of Salem was installed as president of the auxiliary at a joint ceremony last night. The installation closed the 17th annual state encampment of the groups held in Salem this week.

Earlier in the afternoon, a delegation from the Sons and the auxiliary presented a flag to Gov. Charles Sprague in his office. Other officers of the Sons installed were, U. G. Boyer of Salem, vice commander; Rev. F. L. Cook of Eugene, junior vice-commander; Frederick K. Davis of Eugene, H. R. McWhorter of Salem and J. D. Carleton of Hillsboro, council members; Walter C. Harmon of Grants Pass, secretary-treasurer; Herman S. Reichard of Grants Pass, patriotic instructor; Rev. G. R. Stover of Salem, chaplain, and H. L. Howe of Hood River, counselor.

Salem Women's War Several Officers Besides Mrs. Ray, who was re-elected president, several other Salem women were installed as officers of the auxiliary. Mrs. Hattie Cameron of Salem will be on the council for the year. Mrs. Retilly will be treasurer and Mrs. Nettie Schramm is to be chaplain. Other officers are Mrs. Margaret Burton of Portland, vice-president; Mrs. Adah Newgard and Mrs. Minda Satterly of Portland, council members; Mrs. Helen Lamar of Portland, patriotic instructor; Mrs. Myrtle Eyerman of Springfield, instituting and installing officer, and Mrs. Rosetta Buchanan of Portland, press.

Mrs. Buchanan, Mrs. Satterly, Mrs. Eva Baker and Mrs. Lamar are to be delegates to the national convention. Memorial services, with Rev. F. L. Cook in charge, preceded the installation of officers.

Nautical School Seen for Oregon

WASHINGTON, DC, June 14.—(AP)—Representative Mott of Oregon said today his state would share the cost of establishing a nautical school in Oregon.

Mott's statement came with his proposal that legislation permitting certain states to have government-aided nautical schools, be broadened to include all states. Mott said he was confident the naval affairs committee would accept his plan, and that amending legislation will be given to the house soon.

Blocks Sale of Kulangsu Adds to Orient Crisis

Grange Argues Issue of Cost Of Production

Zimmerman and Gill on Opposite Sides; no Conclusion yet

Salem Gets 1940 Meet; Support of 3rd Term Movement Denied

CORVALLIS, June 14.—(AP)—Cost of production, perennial farm legislation topic, struck the Oregon state grange convention today and left a temporary rift in the executive committee.

Peter Zimmerman, Carlton, supported a resolution favoring the so-called cost-production bill now before congress. State Grange Master Ray Gill left the chair to oppose it, stating the national grange had already disapproved the legislation.

The dispute was recessed when all resolutions dealing with the subject were made a special order of business for Friday forenoon. The grangers acted on about a dozen of 70 resolutions. One, favored by Ex-State Representative O. Henry O'Leen, St. Helens, asked the national grange to back a plan of admitting only such quantity of agricultural imports as could be absorbed without lowering prices of American products below the cost of production.

The familiar oleomargarine tax resolution was approved despite the argument of W. L. Baker, county attorney, that the way to deal with "oleo is to advertise that butter is better." Other resolutions asked greater sugar acreage allotments and a change in hunting laws to permit farmers to shoot rodents and other predatory animals on their own lands without license.

Harley Libby, Marion county, state president of the farmers union, urged the grangers to cooperate with his organization in combating unfair taxation and campaigning for lower rural school costs through consolidations.

A thousand delegates kept the state grange convention in western Oregon today when they selected officers for 1940.

Milwaukee Strike Nears Settlement

MILWAUKEE, June 14.—(AP)—"Virtually all major problems have been cleared up" in the strike that is keeping nearly 7,500 workers idle at the Allis-Chalmers Manufacturing company, it was announced tonight by Gen. Otto Falk, company board chairman.

He made the statement following a conference with Governor Julius K. Fair, who presented contract proposals offered by representatives of the striking United Automobile Workers (CIO) union.

Falk's announcement was interpreted as meaning the union's proposal, terms of which were not revealed, was acceptable in the main to the company.

Martin to Speak

PORTLAND, June 14.—(AP)—Former Governor Charles E. Martin will speak on "The Welfare of the Democratic Party" before the Williamette Democratic society here tomorrow.

New Parole Board on Job; Sprague Praises Old One

Confirmation of the appointment of Fred Finsley of The Dalles as parole director and the outlining of procedure to be followed, marked the opening session of Oregon's new parole board here Wednesday, the day the new parole law became effective.

Believed Host, Poison Banquet



Tomakazu Hori, former Japanese consul at Los Angeles who was understood to have been the host at the "poison banquet" at which poisoned wine caused two deaths and made 18 other Japanese and friendly Chinese officials ill. Hori was made only slightly ill.

Infant Suffocated By Slayer, Report

Clues Meager in Slaying of 10-Weeks Old Babe Near Clyde, Ohio

CLYDE, O., June 14.—(AP)—An autopsy tonight indicated that the killer who snatched baby Haldon Fink from his home suffocated the infant with his blanket before throwing him into a creek seven miles away.

A mysterious stranger reported in the neighborhood made a strange call to police inquiring about federal agents provided but slim clues for the forces of Sheriff H. L. Myers and Federal Agent J. R. O'Hara.

Lebanon Man Dies As Pipe Explodes

ALBANY, Ore., June 14.—(AP)—Morris Hoffman, 49, a Lebanon, Ore., blacksmith, was killed today when a sealed pipe he was heating with a blowtorch exploded.

Fragments severed his jugular vein, windpipe and corotid artery. Hoffman's father and William Bohls, Albany, standing nearby, were uninjured.

Denies Japanese Boats off Alaska

PRINCE RUPERT, BC, June 14.—(CP)—George Kitagawa, secretary of a Japanese fishermen's organization, said here today Japanese halibut vessels operating out of this port do not enter waters off the Alaska coast.

Kitagawa issued a statement in connection with a report from Juneau that Japanese boats were taking soundings in an Alaskan bay and said vessels from Prince Rupert do not go any further than Dundas Island, about 25 miles from here.

He said he was confident a mistake had been made and added there were only 25 Japanese boats engaged in the industry and only two of these were of large size.

Supplies Kept Off Island by Three Vessels

Tientsin Deadlock More Pronounced; Nippon Conditions Cited

"Appropriate Measures" Promised, Speaker in British Commons

SHANGHAI, June 15.—(Thursday)—(AP)—Three Japanese warships have isolated Kulangsu from the mainland, halting passenger traffic and preventing the landing of vegetables and other supplies, foreign residents of Amoy reported today.

A Japanese spokesman was quoted as saying the purpose of the blockade was to "bring the municipal council to its senses" with respect to Japanese demands, including one which would give Japanese control of the Kulangsu international settlement government.

(Japanese last month were reported ready to take over the settlement but British, French and American naval detachments were landed there to maintain the status quo.)

(By The Associated Press) A bitter quarrel between Great Britain and Japan at Tientsin, involving the century-old special status of occidental powers in China appeared to be a tighter deadlock than ever today.

Japanese military officers at Tientsin, apparently working with a free hand granted by Tokyo, tightened their blockade about the city's British and French concessions and imposed five new conditions for amicable settlement of the quarrel.

The British government indicated it would take "appropriate measures" in retaliation for the blockade. R. A. Butler, foreign undersecretary, said that the government had not yet decided what action would be taken and that it would depend on what steps were taken by the Japanese.

While the British have offered to take Japanese demands for a three-power commission, Japanese insisted on outright delivery of the Chinese. Today they added five new demands for amicable settlement, declaring the British must quit protecting "anti-Japanese and communistic elements, supporting Chinese currency, 'boarding goods in Tientsin,' using an 'unregistered radio station in Tientsin,' and refusing the use of Japanese-prepared schoolbooks in the British concession.

Mill Worker Suicide

ASTORIA, June 14.—(AP)—Arthur Van Volkenburg, 26, Astorian, a small worker, killed himself today with a pistol shot in the head.

Coroner Hollis Ransom reported. The motive was not determined.

Relief Bill Is Declared Curb On Past Abuse

Improvements Conceded by GOP but Further Changes Wanted

Passage Soon Predicted After Fight on Limit of Project's Cost

WASHINGTON, June 14.—(AP)—A new relief bill, ordering extensive changes in WPA practices and appropriating \$1,477,000,000 to finance the agency through another year, started through congress today as the culmination of months of fighting over relief policies and expenditures.

Presenting the measure to the house on behalf of the appropriations committee, Representative Woodrum (D-Va.) was roundly cheered when he said it would "clean up WPA," eliminate "the relief racketeer," and make the nation's relief dollar assist a greater number of people.

For the republican minority of the committee, Representative Taber of New York asserted that the majority had "tried as far as they could to improve the administrative setup and method of operation of WPA," but should, instead, have brought in a bill decentralizing relief by turning its administration over to the states and localities.

With these developments, the house began a three-day battle over the measure, a contest which all concede will result some time Friday evening in passage of the bill, but which is expected to bring several sharp conflicts over its individual provisions.

No difficulty was expected over the amount appropriated, (Turn to Page 3, Col. 5)

Jewelry Is Taken In Burglary Here

Family Away so Time of Visit Unknown; Light Seen Saturday Eve

Jewelry valued at around \$500 was stolen from the H. H. Weinstein home at 875 Market street some time between June 8 and yesterday, according to a police report made yesterday by Weinstein, proprietor of the Smart Shop.

The burglars, believed by police to have gained entrance through a rear door leading into the garage, disturbed nothing else but jewelry and left a number of the less expensive pieces of that.

Included in the haul was a diamond bracelet valued at \$200, a diamond stickpin valued at \$100, a number of pendants and earrings valued at \$25 to \$40 each, a string of pearls, a box of fraternity pins, two rings and rhinestone hair clips.

As they were in and out of the house from last Thursday until Sunday night, making trips to Portland and the coast, the Weinstein could not say when the burglary was committed. A neighbor, Mrs. Rex Adolph, told investigating officers she saw a light in a bedroom of the Weinstein home Saturday night but supposed the family had not yet left for the coast.

Concealed Shortage in Hope Of Discovering "Mistake" Is Statement Quoted by Witness

Flint Auto Strike Reported Settled

Homer Martin Says so but CIO Officials Claim He's Unauthorized

FLINT, Mich., June 14.—(AP)—Two hours after 85 Michigan state policemen were ordered to the scene of strike violence here pickets of the AFL United Automobile Workers were withdrawn tonight from Flint General Motors plants.

Homer Martin, president of the UAW-AFL, announced later in Detroit after a lengthy session with General Motors executives that a settlement ending the six-day-old strike had been agreed upon.

Details were not revealed, but Martin said they were mutually satisfactory and recognized his union as a bargain agent. Corporation representatives made no comment. Martin aides left for Flint and Saginaw to submit the terms to union members.

Leaders of the rival CIO auto workers voiced skepticism concerning Martin's announcement and R. J. Thomas, president of the UAW-CIO, telegraphed William S. Knudsen, GM president, that "any understanding reached with Homer Martin will have no standing with General Motors workers for whom only UAW affiliated with the CIO has the right to speak."

Orders were issued to 73 state patrolmen and 12 sergeants after members of the UAW-AFL, which called the strike to enforce demands for recognition as bargaining agent for GM employees, and CIO-affiliated UAW unionists turned streets near their headquarters close to the Fisher Body No. 1 plant into a battleground.

Six persons were injured in hand-to-hand fighting; rocks and pop bottles flew in another encounter.

Insurance Action Will Be Appealed

Preparations are being made to carry the Salem Manufacturing company's \$20,000 insurance policy suit against the First American Fire Insurance company to the federal circuit court of appeals, George A. Rhoten, one of the attorneys for the plaintiff, reported here yesterday.

The case was dismissed from the federal district court in Portland last week because, the court ruled after hearing the company's testimony, the facts surrounding the incendiary burning of the company's box factory in West Salem November 20, 1937, do not constitute a riot under the Oregon law. The plaintiff's counsel relied on a one-sentence Oregon code provision defining riot.

Stephen Mathieu of Portland is associated with Rhoten in the case.

Hembree Is Elected

PORTLAND, Ore., June 14.—(AP)—Walter Hembree of Portland was elected president of the Sons and Daughters of Oregon Pioneers to night.

Alleged Manipulation of Ledgers and Vouchers, and Issuance of Checks for Private Business Claimed

Defense Objects to Checks, Contentions Many Such Transactions Handled in County Offices, Refund Made

"The one mistake" that W. Y. "York" Richardson feels he made as deputy Marion county treasurer was his concealing the shortages that have brought him to trial on a charge of larceny of public money, he was quoted at his trial in circuit court yesterday as having told John Lichty, Portland attorney for a bonding company.

Lichty said he was sent here last November by his client, Massachusetts Bonding and Insurance company, which issued the \$5000 public official's bond covering the deputy to investigate the \$23,520.41 shortage reported by state auditors. That investigation included questioning of Richardson in the office of Abrams & Ellis, local agents for the company.

Richardson, said Lichty, told him he had not taken any county money but said he had discovered "a mistake" early in his service to the county and had shifted the records to cover up until he could find the mistake.

Other testimony yesterday brought out alleged manipulations of vouchers and ledgers at yearly intervals to cover up shortages, "salary" advances to county employees and to persons and a missing firm not serving the county and issuance of county checks for Richardson's "private business."

The defense indicated it would contend, however, that in all instances cash was placed in the treasurer's till to cover the checks paid advances.

Falsified Entries For Years, Quoted "Every year you falsified an entry for 14 or 15 years. . . till it had amounted to \$23,000." Richardson was asked, Lichty told the jury.

"He said he had," Lichty declared. Richardson, Lichty continued, said he did not change the dates on warrants, said he had not told anybody about falsifying records and that he was "in some one else had changed these warrants."

By warrants Lichty said he meant the altered tax vouchers frequently referred to by other state's testimony.

"He said that was the one mistake he had made—not telling anyone else," Lichty recounted. On cross examination the attorney said it was his position that his client company's bond "should run to Mr. Drager county treasurer jointly indicted with Richardson" and not to the state of Oregon as it was actually written.

"It is my opinion," he explained, "that Mr. Richardson is not a public official and liable for Richardson," but liable only to Mr. Drager.

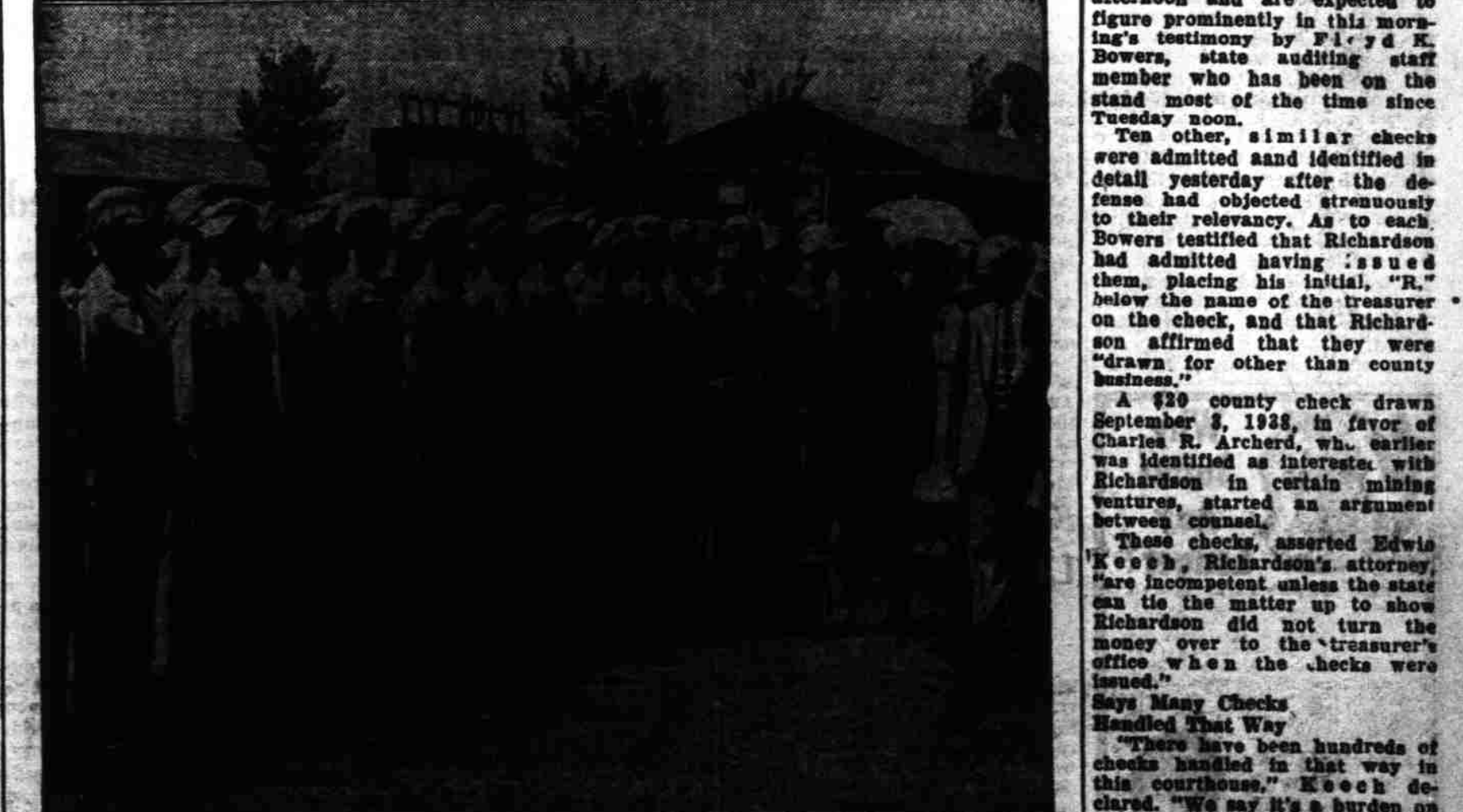
"Are you willing to pay?" inquired Francis E. Marsh, assistant attorney general and prosecutor.

"I have the draft in my possession for \$1111.10," Lichty replied. The bank draft, paying back the last of the shortage to the county, was delivered to county officials later in the afternoon.

Checks to Figure In Testimony Today Ten county treasury checks, drawn on the treasurer's bank account, made payable to non-county employees and to various firms, were admitted in evidence at adjournment time yesterday afternoon and are expected to figure prominently in this morning's testimony by Floyd K. Bowers, state auditing staff member who has been on the stand most of the time since Tuesday noon.

Ten other, similar checks were admitted and identified in detail yesterday after the defense had objected strenuously to their relevancy. As to each, Bowers testified that Richardson had admitted having issued them, placing his initial, "R," below the name of the treasurer after noon and are expected to figure prominently in this morning's testimony by Floyd K. Bowers, state auditing staff member who has been on the stand most of the time since Tuesday noon.

GEORGE FINDS OUT HOW CCC OPERATES



The workings of a CCC camp are explained to their majesties as they inspect a company of the boys at Fort Hank, Va. The king is at left, with Capt. Blair Henderson (center) and Robert Fechner, CCC director, Queen Elizabeth, with parcel, in background.

(Turn to Page 3, Col. 1)