

THE WEATHER

Temperature: Minimum Monday, 51 degrees; maximum Sunday, 92 degrees; Tuesday, 82 degrees. Wind, northeast. FORECAST: FAIR TUESDAY, COOLER.

Eugene Register-Guard

LANE COUNTY'S HOME NEWSPAPER

FINAL HOME

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LEADING BANK OF GERMANY FALLS

OLSEN LOSES SKIRMISH IN COURT FIGHT

Directed Verdict Refused By Judge Skipworth; Defense Opens

TIME ALIBI EXPECTED

Case is Third of Kind in Legal History, Say Attorneys

James P. Olsen, pulp paper magazine writer who is on trial on charges of assault and an attempted statutory offense, lost a court skirmish Monday when Circuit Judge Skipworth denied a motion for a directed verdict of not guilty.

Aside from its purely sensational features, the Olsen case is of considerable legal significance, it was revealed when attorneys cited there were only two other analogous cases in court records.

It was on the basis of circumstances in one of these previous cases that Defense Attorney David H. Evans asked for a directed verdict, which was denied by the court. This point hinged on the part of a third party in a statutory offense of the kind in question.

Cases are Cited One of the previous cases cited occurred in England in the seventeenth century. A North Carolina case was also cited, and a third case, based to a certain extent on the Carolina case, was also considered.

Defense Attorney Evans opened his drive for a directed verdict, immediately at the close of the state's testimony, and, losing by the court's decision to submit the case to the jury, was presenting a defense testimony Monday afternoon.

Time Element Important. That time will play an important element in the defense was indicated from the outset, when Attorney Evans called A. A. Olsen, service station proprietor and father of the defendant. It was indicated earlier in the trial that the defense would seek to show young Olsen was not on the street at the time of the assault.

The girl in the case was on the street in the day, and named the defendant as one of the two men who accosted her and an escort. She said Olsen first asked the time when she came up to her car, and that the light was turned on. It was 10:15 p. m., she testified. It was then she said that Olsen showed a gun and forced the couple out of the car.

Father Testifies. The elder Olsen's testimony was to the effect that, after returning from Portland on the day in question, he drove Mrs. A. A. Olsen and Mrs. James P. Olsen to the residence of the younger Olsen on Fairmount street. He said he arrived in town about 9:30 o'clock in the evening and

SEE TRIAL STORY PAGE 5

Winnard Services Are Held Monday

Funeral services for Mrs. N. E. Winnard, who died Saturday following an automobile accident on the south Pacific highway, were held Monday morning at 10 o'clock at Veatch chapel, attended by a large number of friends. Many floral tributes were received.

Funeral services for Mrs. J. F. Steele, secretary-manager of the Eugene Kiwanis club, who died Saturday morning at 10:30 o'clock at the Veatch chapel, were held Monday morning at 10:30 o'clock at the Veatch chapel, Rev. Milton S. Weber, pastor of Central Presbyterian church of which Mr. Steele was a member, will give the services for the services.

Honorary pallbearers will include members of the board of directors of the chamber of commerce, Earl M. Pallett, L. C. Schaffert, Joseph H. Koke, Robert F. Callahan, Alton F. Baker, and F. M. Hathaway.

The active pallbearers will be a group of members from the Eugene Kiwanis club, of which Mr. Steele was a member, and will be Seth Laraway, C. I. Collins, A. A. Beck, Arthur Henderson, A. H. Buck, and F. L. Hendt.

The remains are to be sent to Portland to the crematorium.

Sunday Maximum Reaches 92 here Eugene had another taste of real summer weather Sunday when the maximum went to 92. The high temperature last week, however, was 90. Forecast is for fair weather with slightly cooler temperature. Eugene saw mostly clouds, however. The wind here was reported in the northwest. The minimum temperature for the day was 51.

IN RATE WAR!



Henry L. Doherty, above, New York utilities magnate, and Governor Harry H. Woodring, below, of Kansas, will carry on a lead over gas rates in Kansas to the courts.

Doherty assailed Governor Woodring's demand for reductions as unjustified and the state has barred the sale of stock in Doherty's Cities Service Company.

Both filers are reserve officers in the Hungarian army and claimed the flight to call public attention to wrongs they believe have been inflicted on Hungary as a result of the treaty of Trianon.

Endres has had far more experience, having been flying for 14 years. Mazyar is one of his pupils. Both men are pilots, and Endres is aviator and radio operator as well.

The Mazyar-Endres plane is of the same make and has the same general equipment as the world-girdling Winnie Mae of Wiley Post and Harold Gatty, except that it is a low wing ship instead of high wing.

FRENCHMEN IN AIR PARIS, July 12.—The air ministry was enthusiastic today about the speed and accuracy with which

SEE FLIGHTS STORY PAGE 4

KANSAS GAS RATE BATTLE IN COURTS

TOPEKA, Kan., July 12.—(AP)—Henry L. Doherty today took his gas rate battle with Gov. Harry Woodring of Kansas to the district court.

A battery of highly-paid attorneys, counsel for the militant public utilities magnate, sought a permanent injunction, preventing Kansas from barring Doherty's cities service stock from sale in the state. The state was represented by talent from the attorney general's office.

The legal battle was the opening gun in the three-cornered fight, which already has led Doherty to file a \$12,000,000 damage suit against the Star and accuse Woodring of being a "tool" of the metropolitan newspaper in its fight for cheaper gas.

Carl Newcomer, Kansas blue sky law commissioner, issued an order forbidding sale of cities service securities in the state on grounds that the stocks were "worthless or almost worthless" because of prior claims to the property they financed. Doherty's answer was a leading attack on both the governor and the newspaper, and six libel suits.

His attorneys first obtained a temporary injunction against Newcomer's order and now are seeking to have his edict made powerless.

Doherty, through his attorneys, contended the action came as the result of a "conspiracy" between Woodring and the Star. They also are attacking constitutionality of the new law under which Newcomer made his ruling.

2 Portland Boys In Narrow Escapes

PORTLAND, July 12.—(AP)—Two Portland boys were alive today after missing death by fire seconds.

Harold Fields, 9 years old, coasted down a steep driveway into the rear wheel of a moving truck. He suffered a deep gash on the cheek. He would have been crushed under the heavy wheel had the impact occurred a fraction of a second earlier.

Henry C. Hunt, Jr., 7 years old, narrowly escaped death last night when he climbed into a tree near his home and touched an electric power wire. The contact burned his hand severely and knocked him from the tree. He was treated for the burns and bruises.

U. S. HUNGARY NON-STOP HOP IS UNDER WAY

Flight Is to Aid Country, Say Pilots As Plane Leaves Suddenly

FRENCHMEN ON HOP

Arrive in Moscow; Aim at Non-Stop Flight to Tokio

ROOSEVELT FIELD, N. Y., July 12.—(AP)—After waiting almost two years for just the right combination of conditions, atmospheric and mechanical, Alexander Mazyar and George Endres took off today on the first leg of a flight to Hungary.

They expect to reach Harbor Grace, N. F., before dark and after replenishing their fuel supply began the Atlantic hop in the morning. They hope to fly non-stop from Newfoundland to Budapest.

The decision to start was reached so suddenly that no one was present to watch the take-off except field employees and a few surprised visitors.

Leave Suddenly. The fliers took off here at 9:53 a. m. (E. S. T.) and their low winged Lockheed which has a cruising range of from 160 to 175 miles an hour, expected to reach Harbor Grace in about seven hours.

Endres started with 850 gallons of gasoline and will take on 600 gallons in Newfoundland. The weather was clear almost all the way from New York to Harbor Grace.

Both filers are reserve officers in the Hungarian army and claimed the flight to call public attention to wrongs they believe have been inflicted on Hungary as a result of the treaty of Trianon.

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SHE'S QUEEN!



Queen Betty Bond, University of Oregon student, who will be queen of the Pendleton round-up Aug. 27, 28 and 29. She will be a junior in journalism next year and is a member of Alpha Phi sorority.

COUNTY MEETING ON TAXES ASKED

Directors of Lane Chamber To Be Asked To Confer On Problems.

The directors of the Eugene chamber of commerce at a special session Monday noon voted to get in touch with the directors of the Lane county chamber of commerce to arrange for a joint meeting and discussion of city, county and school district tax problems in Lane county and the changes which have been suggested by Governor Meier to eliminate local control.

Although no action for or against the Meier plan was taken at the meeting, many members are opposed to the idea of centralizing power in a state commission at Salem. Likewise many feel that the amount of retrenchment should be determined by local judgment as to what is necessary.

It was pointed out that for several years past, the larger taxing units in Lane county voluntarily have called in special committees of citizens to advise them on budget problems. The school board in Eugene has had an advisory commission of five; the city an advisory commission of seven and the county an advisory commission of three. In the case of the county the advisory commission is provided for by law.

One matter suggested for discussion at the proposed joint meeting is the consolidation or coordination of these advisory commissions so that budgeting for all of the major divisions in the county can be worked out simultaneously.

It was pointed out that it was largely through the action of the advisory commissions that the Eugene school board and Eugene city council three years ago began their program of retiring bonded and warrant debt and curbing operating expenditures, programs which are already well along.

County Judge C. P. Barnard said Monday that county officials would be glad to cooperate in the local movement to coordinate local expenditures and save money wherever possible. School officials and city officials are also favorable to such studies.

Though a special session of the temporary injunction permanent was scheduled to start before Circuit Judge H. D. Norton this afternoon.

Local sportsmen and the Californians have long disputed over whether the Rogue is the river bank or a trespass on the mile of river bank the Californians have purchased as private preserves.

Determination on the question involves whether the Rogue is a navigable stream on its wild upper stretches.

Asa Keyes Leaves Prison on Oct. 12

SAN QUENTIN PRISON, Calif., July 12.—(AP)—Asa Keyes, former Los Angeles district attorney who was convicted of conspiracy in the Julian oil scandals, will be freed from prison Oct. 12, according to a new order issued by the state prison board.

Keyes was sentenced in 1929 to serve 14 years. On Oct. 12 he will have served 19 months. A steady fight for his freedom has been waged since the day he entered prison and he had one of the most eloquent pleas of his life last night in convincing the board he should be freed.

MAN ARRESTED ON KIDNAPING CHARGE VANCOUVER, Wash., July 12.—(AP)—Ed Chalk, 27, was arrested here today for kidnaping a young girl.

Chalk was arrested Saturday at the kidnaping of Betty Jean Forsman, one year old, from the front porch of Mrs. Mabel Hudson, mother of Mrs. Forsman, at her home on 12th street.

Chalk was taken to the police station where he fed the baby after preparing the milk and bottle himself.

Mrs. Axel Forslund, foster mother of the child, told police Chalk took Betty Jean from the front porch of Mrs. Mabel Hudson, mother of Mrs. Forsman, at her home on 12th street.

She said Chalk knows the baby's mother.

EIGHT PERSONS FATALLY HURT IN ACCIDENTS

Five Drowned During Week End in Oregon Waters

MAN IS HIT BY TRAIN

Auto Accidents Fatal to Two; One Injured in Wreck

PORTLAND, Ore., July 12.—(AP)—Swimming, train and automobile accidents cost eight lives in and near Portland over the week-end.

The dead: Gus England, 65, Barlow, Ore., killed by Southern Pacific train near Oregon City.

Howard J. Foster, 23, Portland, automobile wreck victim here.

Henry G. R. Zastrow, 24, Portland, drowned at Willanda park near here.

Phil Moll, 27, Portland, drowned in Blue Lake near here.

Roy H. Mann, Yakima, Wash., drowned in Deschutes river.

Billy Fitz, 10, Portland drowned in Badger creek.

John Mullins, 16, drowned in Hood River.

Mrs. Myron Moore, 50, killed by automobile at Seaside.

HIT BY TRAIN. England was walking the railway right of way and was struck by a southbound train. He was slightly deaf and it was believed he did not hear the train.

An overturning car killed Foster and seriously injured Marian Youngman, 20. Both were passengers.

Lewis Wells, 24, was arrested on an involuntary manslaughter charge as the driver. Officers found him home in bed. He is on parole from the Oregon penitentiary.

Night swimming took the lives of Zastrow and Moll. The former went in just before daylight with several fellow campers. He stayed in the water after the others. When he failed to return to camp a search was begun and his body was found an hour later.

Swims Alone. Moll went swimming alone. He was found when his clothes were found on the beach. Officers found his body after a four hour search.

Mann drowned when he attempted to swim the Deschutes river near Lewis and Clark. He was swept in the rapids and drowned with his companions attempted unsuccessfully to reach him.

The Fitz boy lost his life in a "beach" creek, three miles from Tygh valley.

Mullins was believed to have suffered a heart attack while attempting to swim Hood River near its confluence with the Columbia.

WOMAN KILLED SEASIDE, Ore., July 12.—(AP)—Mrs. Myron Moore, 50, of this city was killed by an automobile driven by a stranger.

SEE ACCIDENTS STORY PAGE 5

SPORTSMEN FIGHT GOLD PROSPECTORS

MEDFORD, Ore., July 12.—(AP)—Battle to determine whether the upper Rogue River belongs to the millionaires sportsmen who have fished it, or to gold prospectors and "plain miners" who have fished it since the days of the gold rush.

The Anglo London Paris National Bank of San Francisco, representing Frank G. Volkes, Herbert Fleishacker, D. G. Nelkin, A. B. Swinson, Fred Burnham and other wealthy Californians, secured a temporary injunction against two gold miners who walked up the river bed searching for gold deposits between rock crevices. Hearing on making the temporary injunction permanent was scheduled to start before Circuit Judge H. D. Norton this afternoon.

JAIL MEXICAN CONSUL!



Charged with "boisterous and improper actions and using abusive language," Senor Adolfo Dominguez, right, acting Mexican consul in Chicago, was sentenced by Judge Thomas A. Green to six months in jail for contempt of court but later released. Dominguez, who had appeared in court during the trial of a Mexican youth for vagrancy, insisted on speaking when the judge ordered him to remain quiet. He is shown here with Deputy Sheriff Michael P. Russell, left.

Battle Of German Bank For Life Is Symbol Of Fight Of Entire Nation

By JOHN L. COOLEY (Associated Press Financial Writer)

NEW YORK, July 12.—(AP)—Now it's the watch on the Reichsbank. Germany's strong central bank, fighting what has been a losing battle against the intangible forces of enormous power, symbolizes the economic struggle that has threatened her with financial ruin, which, if completely lost, would have far-reaching effects throughout the rest of the world.

The immediate cause of the crisis is the withdrawal of huge volumes of foreign funds from the Reich. In the background looms the reparations question, with its political uncertainties and considerations both at home and abroad, its questions of ability to pay, its problems of international trade and finance.

Before the World War Germany was a large lender in other nations. Now she has become a heavy borrower, with a foreign debt approximating \$20,000,000,000 marks. Her unemployment problem is serious, for 5,000,000 persons are out of work. She has lost the favorable trade balance which only last year enabled her to wrest from Great Britain second place honors as an exporting country.

Foreign capital, alarmed at the more serious turn in conditions in the Reich, began its exodus several months ago, and in the last few weeks it has reached the serious total of around one and a half billion marks. The German people likewise, it is reported, have been converting their funds into dollars, francs, pounds sterling, and Dutch florins, thus adding to the Reichsbank's difficulties in supporting the mark. Strenuous measures were taken to halt the outflow. The discount rate was raised. Large foreign credits were contracted at the Reich's financial center. President Hoover's war debt holiday revived confidence but momentarily. Aided by huge foreign loans, the mark was renewed vigorously only last week. A thousand of Germany's largest corporations offered a 500,000,000 bank guarantee fund.

Foreign investors in Germany were frightened last fall by the success of the radicals in the national election. The recall of funds however, did not assume alarming proportions until the outbreak of the flight of gold. It was renewed vigorously only last week. A thousand of Germany's largest corporations offered a 500,000,000 bank guarantee fund.

Germany's rapid industrial recovery following the World War was soundly based on the export of goods. Her foreign loans, mostly from this country, she applied herself strenuously to the difficult task of reconstruction, although handicapped by the loss of her coal and other important supplies of raw materials. But the recession in her business abroad from the post-war peak reached about a year ago, was mentally and the flight of gold was dropped to the lowest point in twenty years excepting the war period.

Lacking gold, post-war Germany was forced to depend on foreign trade.

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Blind Observer Of Heavens 65

WILLIAMS BAY, Wis., July 12.—(AP)—Prof. Edwin H. Frost, the blind astronomer who found mathematical exactness in a common cricket, believes on the eve of his 65th birthday that the universe was created by a master mind and developed after a definite plan.

Prof. Frost, whose son, Frederick, described him in an immortal poem as "smiling as he feels his way," will be 65 tomorrow. Growing fame today from all parts of the world, many from other famous scientists who say that the blind astronomer of Yerkes observatory "knows as much perhaps about the stars as any man who ever lived."

Blindness has robbed the professor of his former pleasure of studying his way and his moon and stars through the world's largest telescope at the observatory here, but his mind has worked on as before.

An example of the systematic way in which his mind works under the dark night sky is seen in his observations that if one counts the number of times a cricket chirps in 15 seconds, then adds 42 to this number, the result will be the exact temperature of the time and place.

Always placing observational facts in theory, Prof. Frost has spent the hours and nights of his life in constant search for truths about the universe and the people and things which live upon this one small part that is called the world.

Pantages Free in Girl Market Case

SAN DIEGO, Cal., July 12.—(AP)—Alexander Pantages, multi-millionaire showman, and his three co-defendants in the "girl market" case were freed of conspiracy and morals charges today by Superior Judge J. N. Trentine on motion of District Attorney Tom Whelan.

GOVERNMENT TAKES OVER GUARANTEES

\$30,000,000 Bank Unable to Meet Demands As Mark Falls

EXCHANGES CLOSED

Cabinet Making Attempts to Get Credit to Avoid Panic

BERLIN, July 12.—(AP)—Directing all its energies toward saving the nation from financial ruin, the German government today issued an emergency decree taking over guarantees of the \$30,000,000 Darmstadter and National bank, which has suspended payments because of the drain on its natural resources by constantly rising demands for foreign currencies.

The run which closed Darmstadter extended in some degree to other banks this morning, and to help prevent the panic from spreading the government closed the stock exchange for today and tomorrow.

Moratorium Necessary. Jacob Goldschmidt, head of Darmstadter and regarded as one of the ablest bankers in Germany, asserted today a moratorium should have been declared by all the German banks weeks ago and it ought to be declared immediately. He blamed his bank's crash on the press for the political opposition which "crystallized vague fears into the one specific fear that our bank was sound."

Meantime the cabinet, whose members are worn by the constant sessions of several days past remained on the job.

Dr. Hans Luther, whose efforts to obtain French participation in a foreign credit for the Reichsbank were unsuccessful in that the government declined to accept conditions imposed by France, left by plane this morning for Basel to attend a meeting of the world bank directors there.

Appeal to People. Chancellor Bruening's government appealed to the German people to keep their heads in this time of financial distress and not to make things worse by losing confidence in the fatherland.

President Hoover's moratorium plan afforded a great relief to an economic situation, a proclamation issued in the name of the government asserted, "a large sum which Germany was entitled to claim, to retain could be enabled to that plan, be restored to the banks."

"The weeks during which the struggle in connection with this plan has gone on have, however, done enormous damage to the German business. Millions loaned to Germany from abroad have been withdrawn because of the uncertainty of the situation."

Even today complete tranquility has not been restored.

"Although our aim must be that the German economic situation shall be restored to normal, it is necessary if severe interruptions are to be avoided, that further withdrawals shall cease."

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FALL WILL SERVE TERM IN PRISON

EL PASO, Texas, July 12.—(AP)—Albert B. Fall was resigned today to the prospect of serving a prison term on conviction of accepting a bribe while he was secretary of the interior.

Ending a long fight based on the assertion Fall's health would break in confinement, a member of his family announced yesterday that the former cabinet officer had agreed to the addition of a day to his one-year sentence in order that the time might be served outside the District of Columbia.

He expressed a desire to enter the penitentiary of New Mexico, his home state. That plea was contained in a message from Dr. J. H. Gambrell, his private physician, to Frank Logan, Fall's Washington counsel.

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