

CIRCULATION
Daily average distribution for the month ending September 30, 1928
10,281
Average daily net paid 9.882
Member Audit Bureau of Circulation

Capital Journal

FAIR
Tonight and Tuesday. Moderate northerly winds becoming variable.
Local: Max. 71. Min. 47; Rain .04; River -2.8 feet; clear, south wind.

42nd YEAR, No. 257

SALEM, OREGON, MONDAY, OCTOBER 28, 1928

PRICE THREE CENTS

ON TRAINS AND SLEWS STANDS—FIVE CENTS

STOCKS CRASH ON WALL STREET

PANTAGES IS FOUND GUILTY BY TRIAL JURY

Jury Reaches Verdict on First Ballot, but Ponders over Punishment

Millionaire Theater Man Declares He Will Appeal to Higher Court

Los Angeles (AP)—Haggard from a sleepless night, Alexander Pantages, theater multi-millionaire, convicted Sunday night of a statutory offense against Eunice Pringle, 17 year old dancer, Monday followed county jail routine and laid plans to carry on his fight for freedom.

At his request a jail hospital intern gave him a sleeping potion Sunday night. "But I couldn't sleep—just kept worrying," Pantages said Monday.

"What did the jury mean by that word 'evidence,'" he asked.

When told that it was an appeal for mercy, Pantages brightened, but became dejected again when it was further explained that the court could not send him to prison for the one to five years prescribed by law.

"I got a raw deal," he declared. "The jury shouldn't have convicted a yellow dog on the evidence against me. But I'm going to get for a new trial and I think I'll get it. If I don't, my attorneys are going to appeal. We will win that."

During the morning the man who had made the beginning of a fortune in the resorts of the Yukon was given a bucket and mop and told to clean up his cell. Pantages had been unable to eat jail food, he said, and an orange and apple he (Continued on page 9, column 6)

Tweet! Tweet! Chirped Canary To 200 Firemen

Chicago, (AP)—Two hundred firemen can be wrong, and a canary, no matter how sweet he tweet, an awful bother.

The firemen—one squad, three trucks and four engine companies, not to mention the fireboat crew—converged at Schoenhoffen's brewery and scanned the area for a fire. A waiting woman, wringing her hands, rushed forward.

"Billy Boy, my Billy Boy!" she cried in anguish. "Save my Billy Boy."

She pointed. High on the brewery roof was Billy Boy, tweeting.

Battalion Chief Thomas Geary confesses to no special love of birds, but he is broad minded. He ordered the ladders up. The sizzle fire ladders began rising their necks, leaping and diving and sliding about the Schoenhoffen roof. The canary thought it was a game, or something. He kept one hop ahead, not forgetting to tweet.

Finally the firemen saw the futility of it all. They got down and put the ladders back on the trucks.

The trucks, hove bound, went clang-clang.

The canary went tweet-tweet.

HOOVER ASKED TO TELL STAND ON TARIFF BILL

Republicans and Democrats Request President Make Statement

Senator Reed Sees No Hope of Bill and Says Measure Dead

Washington (AP)—Demands that President Hoover make known his position on the tariff bill as it now stands in order to save time were made in the senate Monday by both republicans and democrats as friends of the administration rallied to support of the measure.

Calling attention to the success of the coalition of democrats and western republicans in placing the export debenture plan in the bill and also of revising the flexible provisions, Senator Reed, republican, Pennsylvania, said it was evident that a majority of the senate was opposed to a majority of the house on those propositions and that a hopeless deadlock was in sight.

Even though he was opposed to both actions, he asserted, if he were chosen a conferee he would insist on the senate's position on both unless the senate instructed the conferees otherwise.

Reed's statement was prompted by a demand from Senator Johnson, republican, California, that these in charge of the tariff bill tell the senate "where we are at on this question."

Johnson said he had read newspaper accounts that the coalition (Continued on page 8, column 1)

Defends Self



CHEAP POLICIES NO PROTECTION TO MOTORISTS

Insurance policies offered motorists for "full coverage" for two years for \$29 an income old cents are of no more value to the motorists than to the holder of similar policies given by newspapers in an effort to increase their circulation and costing 80 cents each, J. E. Shelton, general manager and secretary of the Oregon State Motor association, told the chamber of commerce Monday noon. Shelton was formerly editor and manager of the Eugene Guard.

Service rendered by the motor association was emphasized by the speaker, who said that the association stood between motorists and freak legislation and insurance agencies. Through affiliation with 157 similar associations, the state is being advertised in all of the offices maintained by the associations. Rewards are also paid for the apprehension of hit-and-run motorists.

Tourists are becoming familiar with the AAA signs in all parts of the country and the Oregon association to date has completed the erection of signs in three counties, and partially completed four more. In the Salem district more than 800 road signs have already been placed.

The value of the tourist to Oregon was set at \$25,000,000 this year by Shelton, or with 80 per cent of the business in four months, around \$4,000,000 a month and \$133 for every man, woman and child in the state. The amount four years ago was estimated at only \$7,000,000.

Through the work of the national association the excise tax was removed from automobiles, saving Oregonians \$6,000,000. The national association is now sponsoring legislation that means an additional \$1,500,000 to the state from federal road funds if approved by congress and the passage appears favorable, Shelton said.

BINGHAM HITS ACCUSERS IN SENATE PROBE

Senator Says Lobby Probers Unfair and Framed Against Him

Police Court Methods Alleged—Says Evidence Tortured and Twisted

Washington (AP)—Striking back at his accusers, Senator Bingham, republican, Connecticut, contended in the senate Monday the lobby investigating committee was "unfair" and had used "police court methods" in examining him regarding his employment of an officer of the Connecticut manufacturers association to assist him in tariff matters.

The Connecticut senator asserted the committee was "framed against a friend of the administration."

He said one member of the committee had used a member of the capitol police force as a chauffeur to drive him home while the policeman was still drawing government pay.

Senator Blaine, republican, Wisconsin, a former member of the committee leaped to his feet and insisted that Bingham name the senator.

"It was the senator from Wisconsin," Bingham replied.

"I'll reply in my turn," Blaine shouted as Bingham continued his speech.

Referring to the senate speech Saturday by Chairman Caraway of the lobby committee, Bingham said (Continued on page 9, column 8)

SOVIET EXECUTES 63 In Last Four Days BY FIRING SQUAD

Moscow (AP)—Two prominent Jewish merchants, Kleiner and Teitz, were executed by a firing squad Monday for smuggling diamonds out of Soviet Russia. Their deaths brought to a total of 63 known executions in Soviet Russia in the last four days for various alleged offenses, most of them political.

The two Jews were charged with getting the diamonds out through officials of the legation and importing illicit rubles purchased abroad at reduced rates.

The president of the central executive committee, the highest executive body of the soviet union, rejected the prisoners' plea for clemency.

Opposition to government policies has cost 26 kulaks, or rich peasants, in various parts of Soviet Russia, their lives.

Tax, official news agency, Monday said that a number had been executed after investigation of government agents into enormous difficulties in gathering grain from the peasantry and converting small (Continued on page 8, column 3)

FIVE BILLIONS WIPED OFF OF STOCK VALUES

Panic of Thursday Resumed With Efforts to Check a Failure

Sales Total 9,212,800 With Leading Issues On Toboggan.

Wall Street Crash
Five billion stock values wiped out.
Sales total 9,212,800, second largest day in history.
Leading issues drop from 16 to 50 points, including U. S. Steel and General Motors.
Support of bank group fails to check slump.
Big traders routed and market closes at lowest prices of day.
Curb, Chicago and other exchanges react in sympathy.

FEDERAL LOAN CAUSES RISE IN WHEAT PRICES

Washington (AP)—The federal farm loan board said in a statement late Monday that the shrinkage in stock values in the last few days had had an unwarranted effect upon wheat prices and proposed a series of loans to aid farmers to hold their crops.

SEWER FUNDS DEPLETED FOR OTHER PURPOSES

That Salem's sewer reconstruction fund, for which \$500,000 bonds were authorized by vote of the people, has been allowed to become depleted by an exceedingly heavy expenditure on work, materials and maintenance entirely outside the purposes of the fund is shown in a report by Frank R. Kellogg, accountant, who has completed an audit of the fund.

This state of affairs in the sewer fund existed was first called to the attention of the public several weeks ago by the Capital Journal, and following this Alderman H. H. Vandevor, chairman of the sewer committee of the city council, asked for an audit of the fund.

The total amount of bonds authorized by the people was \$500,000, which was to be used in reconstructing the sewer system and making extensions by which the system later could be tied in to a sanitary disposal scheme, though not under the present authorized fund.

Of the \$500,000 authorized by the people \$320,000 has been issued. Of this amount \$100,802.25, 31 per cent has been used for purposes not contemplated under the bond act. The items going into this amount are: payment of a deficit existing prior to the bond issue, \$11,396.72; materials, \$39,116.07; labor on old sewer system and maintenance, \$5,174.96; miscellaneous, \$14,451.

This has left for expenditure on the fund so far derived from the sale of bonds, the amount actually spent on new work, however, in \$229,985.28, hence there is an overdraft of \$77,817.53. The actual expenditures for new work are:

Labor on new sewer system, \$80,174.31; material, \$121,532.56; engineers and attorneys' fees, \$9,914.97; miscellaneous, \$38,022.65; items chargeable to other funds, \$183,379; equipment, \$24,143.63.

8 AUTOMOBILE ACCIDENTS HERE OVER WEEK END

Eight automobile accidents, none of them having serious results, were reported to the police Sunday. One of the crashes resulted in a motorist receiving a bad cut on the nose, while a second accident broke an electric light pole off several feet above the ground when the machine struck it and then turned over.

Richard Johnson, Linnton, Ore., received a cut on the nose which was closed only a few stitches after he had been taken to the hospital. He had been taken to the hospital by flying glass after his machine and one driven by E. M. Rullison, Route 8, Salem, had collided at North-Commercial and Gaines.

Mr. and Mrs. E. W. Rutherford, 1925 Fir street were thrown from the front seat into the rear of their machine when it struck a pole at Fir and Superior after having collided with a machine driven by C. B. Ross, 1173 Fir street. The Rutherford car overturned, but neither occupant was hurt. Rutherford had the right of way.

Other accidents included: J. R. Benton, 555 Cross street and Albert Fabry, 770 Bellevue at Liberty and Trade streets.

Virgil Harrison, 1888 North Commercial and Kenneth Pugh, Route 4, at Superior and South Commercial.

Frances Pierce, Jefferson, and Walt W. Winnes, 1431 North Cottage, at Winter and South street.

Earl C. Greeng, 252 Cottage and Pullen, at Cottage and Fairgrounds road.

Spencer R. Greene and Clarence Moffenier at 12th and Mission.

Charles Needham, 1733 Second street, and Harold Sedan, 1112 Mill street, on Church street.

SEVEN ARE LOST IN PLANE WRECK

Genoa, Italy, (AP)—Two bodies, those of the pilot and a passenger, of the Italian Imperial Airways City of Rome liner which was lost near Spezia Saturday, have been recovered.

The wreck of the plane is believed to have been taken place Saturday night resulting in the deaths of seven persons, including a woman, who were aboard.

The steamer Famiglia sighted the plane which had landed because of a storm about fifty miles off Viareggio and took it in tow to a point ten miles southwest of Tino Island. As night fell the weather grew worse and the Famiglia's tow line broke. Finally the Famiglia lost touch with the plane and decided to make for Spezia where the authorities arranged rescue measures sending three destroyers, one torpedo boat, one auxiliary and hydro-airplanes.

Search for the City of Rome was carried on all day Sunday and was being continued Monday.

TRIES TO MURDER JAPANESE PREMIER

Tokyo (AP)—An apparently weak-minded Japanese was arrested Monday after an attempt which police believed was directed against the life of Premier Hamaguchi.

HI SCHOOL BUS TURNS OVER BUT PUPILS UNHURT

The first accident to any of the 11 Salem buses being operated this year to adjoining school districts, occurred Monday morning when the Claxton-Quinby bus tipped over in loose gravel a short distance north of Claxton station. The bus was traveling slowly at the time and none of the dozen boys and girls were hurt or scratched. The bus was pulled back on the road and returned to Salem under its own power.

John Puntio was driving the bus at the time of the accident. T. E. McClean, owner and manager of the school buses operating under a contract with the Salem school board, says Puntio is one of his best drivers and he has absolved him from blame in the accident.

The bus was one of the new Ford machines. Drivers of school buses are required to operate at a speed of keeping their speed down to 25 miles an hour.

Principal Fred Wolf of Salem high, motored out to investigate the accident as soon as word reached him. According to Wolf a touring car tipped at this same spot Saturday afternoon.

CONVICTED BANK ROBBER RELATES TALES OF JOBS

Golden, Colo. (AP)—Ralph Fleagle, who found bank robbery a more exciting occupation than operating a "barbecue" house taken in Kansas Monday discussed the ups and downs of Wall street in preference to his death sentence.

Fleagle, white-haired leader of the notorious Fleagle bank bandit gang, who talks more like a banker than a criminal, was sentenced to hang by a jury in Lamar, Colo., Saturday night for the murder of A. N. Parrish, president of the First National bank of Lamar and a former state senator.

In less than three weeks juries have sentenced to the gallows, three members of the bandit gang, who killed Parrish and his son John, bank cashier, during the hold up and kidnaped a teller and a physician in Kansas in their mad escape with \$219,000 loot.

Fleagle was taken from the jail at Lamar under heavy guard and brought here pending removal to the state penitentiary. Authorities declaring they were taken no chances against a possible lynching or an attempt by the convict's pals to free him.

He cracked jokes with the guards, gave his version of the panicky Wall street upheaval, turned back the pages of his colorful and adventurous criminal career in his boyhood days on the Kansas prairies when he stole away from his work to read the life of Jesse James and discussed bank robbery in the manner of a business man discussing the correct procedure in some legitimate pursuit. Fleagle said the stock market always appealed to him, and strangely enough he related he was on his way back to New York when he was arrested in Illinois.

BODY FOUND IN WILLAMETTE RIVER

Efforts are being made by Coroner Rigdon to locate the relatives of a man believed to be P. Buneta, about 50 years old, whose decomposed body was taken from the Willamette river near Sidney Sunday afternoon.

Cards and other papers found in the clothing contained poorly scribbled names, among them that of Buneta. Because the body had apparently been in the water for several weeks the writing was illegible. The same name appears on a bank statement of the First National bank of Pittsburgh, Pa. The body was fairly well clothed.

Mayor And Engineer Both Seeking Audit City Bridge Account

With Mayor Livesley asking for detailed figures as to credits due the bridge fund for expenditures temporarily, or otherwise made from that fund for items chargeable to the street improvement or other funds, and with the city's system of accounting unequal to the task of this segregating charges, City Engineer Hugh Rogers Monday announced that he plans at the next meeting of the city council to ask for a real audit of the bridge fund.

Rough estimates of the status of the fund indicate that when all existing contracts have been completed and the North Commercial street viaduct finished there will remain out of the \$350,000 bond issue authorized by the people about \$8,000 for further construction.

The expenditures from the fund will then total approximately \$342,000.

But many of the expenditures from the bridge fund made in the past have not been properly chargeable to that fund, in the opinion of Mayor Livesley and other city officials. Included in these items are sums paid for property condemned in opening streets, fill made to connect bridges, and numerous other items.

(Continued on page 7, column 3)

COUNT KAROLYI TO BE ADMITTED

Washington (AP)—Secretary Stimson Monday announced that Count and Countess Karolyi have been granted visas to enter the United States on the basis of a new application made through the American consulate in Paris.

The department's decision is a complete reversal of the policy followed by former Secretary Kellogg during the Coolidge administration. Karolyi, who formerly headed a 20-clause Hungarian government, and who is opposed to the regime of Admiral Horthy, the present regent of Hungary, was barred by former Secretary Kellogg.

FLORIDA FRUIT FLY BATTLE NOW WON

Washington (AP)—The government virtually has won its battle against the Mediterranean fruit fly in Florida. Secretary of Agriculture Hyde was advised Monday by a special committee whose members investigated the situation.

Infestation is not apparent now, the committee reported. However, continuation of the eradication program by the agriculture department was recommended.

TURN OVER IN AUTO UNINURED

Skidding, turning over two or three times and then coming to rest on the Southern Pacific tracks, headed the opposite direction from which he was traveling, and occupying an unusual position, the experience of W. P. Doward, Portland, Saturday evening.

Doward was traveling toward Salem near Holman park on the Dallas-Salem road. Despite the fact the pavement was dry Doward's car started skidding. It struck a power pole a glancing blow, rolled over an embankment and then righted itself between the rails of the track, headlights still burning. The car had a rear wheel torn off and badly bent fenders, but very little damage was broken. Doward opened the door, taking his traveling bag with him and was looking up and down the track in an apprehensive manner when several motorists stopped and assisted in lifting the car toward the tracks. The machine was towed to Salem for repairs.

London Police Keep Mob of Communists From U. S. Embassy

London (AP)—Communists and London police Sunday night fought for more than a half hour outside the American embassy when several hundred paraders attempted to present a resolution of protest against the Gastonia, N. C., textile workers' trials.

The parade of communists, numbering several hundred, formed at Trafalgar Square, and moved toward the American embassy when its way was barred by a cordon of police who informed its leaders they could not be received at the embassy.

Free for all fighting ensued in the course of which some of the communists smashed windows of passing vehicles and involved innocent passers-by. The clash lasted for more than a half hour before severe clabbings by mounted police and a number of arrests quelled the riot.

The communists carried such banners as "MacDonald gorges in Washington," and "Textile workers starved and murdered in Gastonia."

The people in the neighborhood least concerned about the whole affair, were the members of the American embassy. Police had drawn their carbons far enough away from the building to insure its inmates not being disturbed.

WALL STREET BANKERS CONFER

New York (AP)—Leading participants in the banking pool believed to have been formed to support the stock market, conferred with North of J. P. Morgan and Company this afternoon after another disastrous break in stock prices, even sharper than last Thursday's.

The conferees included A. H. Wiggin, chairman of the Chase National bank, and William C. Potter, president of the Guaranty Trust company. Special meetings were also held of the business conduct committees on both the New York stock and curb exchanges.

DITEMAN HELD \$40,000 POLICY

Kansas City (AP)—Disappearance of Urban F. Diteman, Jr., on his attempted trans-Atlantic flight has presented a difficult problem to officials of the Kansas City Life Insurance company with which the flier carried \$40,000 life insurance. The officials said Monday they had not heard from the beneficiaries of Diteman who is believed to have lost his life and that no decision had been reached as to payment of the insurance. It was said there was no precedent to guide the company in the case.

The insurance was written before Diteman learned to fly. Company officials in denying that Diteman purchased the policies several months before he started his ocean attempt, said that the insurance had been in force for three years or more.

SOVIET FLIERS REACH DETROIT

Detroit (AP)—The plane "Land of the Soviets" arrived at Ford airport at 11:45 a. m. from Chicago. The crowd which turned out to greet the Russian fliers was so great that airport guards and police experienced considerable difficulty in keeping order.

BROTHERS KILLED IN STOCKTON CRACK-UP

Stockton, Cal. (AP)—Floyd Widman, and his brother, Oscar, both of Terminus, were killed in an airplane crash, which seriously injured the pilot, E. W. Hotkin, Stockton, at the municipal airport.