

GERMAN BANKS CRASH IN CRISIS

2 HUNGARIAN FLIERS HOP OFF FOR BUDAPEST

Magyar, Endres Leave New York for Harbor Grace on Sea Flight

French Fliers Expected To Pass Chita on Non-Stop Flight to Tokyo

Roosevelt Field, N. Y. (AP)—After waiting almost two years for just the right combination of conditions, atmospheric and mechanical, Alexander Magyar and George Endres took off Monday on the first leg of a flight to Hungary.

They expected to reach Harbor Grace, N. F., before dark and after replenishing their fuel supply begin the Atlantic hop on Tuesday 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.

The fliers took off here at 9:53 a. m. (E. S. T.) and in 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. They started with 350 gallons of fuel.

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DOHERTY CASE NOW IN COURT

Topoka, Kan. (AP)—Henry L. Doherty Monday took his gas rate battle with Governor Harry Woodring of Kansas and the Kansas City Star to the district courtroom.

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.

Charles Newcomer, Kansas blue sky law commissioner, issued an order forbidding sale in 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 slashing 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.

CHALK HELD FOR KIDNAPING BABY

Vancouver, Wash. (AP)—Ed Chalk, 37, was arrested here Monday for Portland police who had sought him since Saturday as the kidnapper of baby Jean Forslund, one year old from the child's foster-parents in Portland. The baby was unharmed and apparently contented and well-cared for.

"It's my baby and they weren't taking the right kind of care of her so I went and got her because I loved her," Chalk told Vancouver police.

He 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 baby Jean from the front porch of Mrs. Mabel Hudson, mother of Mrs. Forslund, after threatening Mrs. Hudson with a hammer.

Woodburn Escape Taken in Omaha

Omaha (AP)—Ed Fuller, 17, who escaped recently from the Oregon reform school at Woodburn, was arrested here early Monday as he broke into a fruit stand. Police said Fuller confessed to six store burglaries, but the loot is believed to have been only a small quantity of groceries and merchandise.

Greece Shaken by Sharp Earthquake

Athens, Greece (AP)—An intense earthquake was felt Monday at Lemnos. The shock was perceptible here, although not strong as in Lemnos, an island in the Aegean near the mouth of the Dardanelles.

Good Evening!

Sips for Supper
By DON UPJOHN

Last month the country enjoyed the longest day in the year.

And we've just finished up the shortest week in the year listening to the sad sea waves.

All we've got to say about the beach is that it would be a great place if there wasn't so darned much sand and water. Both of these features have been a bit overworked over there and whoever made that part of the country was sure a glutton for both.

Anyway, we hadn't any more than got back in town this a. m. and strolled about the streets a bit than we ran onto a stupendous discovery made by a local man which is apt to revolutionize one of our big local industries.

We plopped into Cecil Spencer, well-known canning magnate, and while we were gone he's been working out a recipe to do away with the soft loganberries such as have been developed this season.

"Yes," said Cecil, "being a Roman I never says, 'Yeah.' I've worked out a spray formula which another year will do away with the soft loganberries entirely and add thousands of dollars in value to the pack. This formula is in the shape of a spray, 33 per cent concrete, which when applied in a misted condition to the berries will harden them up over night and do away with the soft berries entirely."

And what's more, he opines, by using this spray it will make it possible for the canneries to put up a solid pack loganberry as well.

It goes to show how brains are at work all the time to make conditions better for the human race, so why worry. Everything will turn out all right.

If Cecil's spray formula really proves that it will work out, in a poor market year the state could help the farmers a lot by buying the loganberries for a top dressing on our paved roads. Strips of red surfaced highways would relieve the blacktop monotony so often experienced in driving about now on long stretches.

THE BIGGEST BIG TOE

"Tugboat Annie watched it sink, her lip moving soundlessly, then limped on her stockinged feet, great toe protruding, the length of the wharf."—From story in Saturday Evening Post.

RED FORCES SAID TO HAVE FIRM GRIP

Tokyo (AP)—A Shanghai Rengo news agency dispatch Monday quoted an unidentified British officer as saying only a miracle would enable Chinese government troops to suppress Red forces in Kiangsi province.

The officer, just returned from a month's inspection tour of the Red-ridden province, said federal troops were utterly demoralized. The military commanders pocketed war funds supplied by the Nanking government.

The troops, he said, not paid for months, have taken to looting. This terrified the public, which was more favorably disposed toward the Reds than to the troops sent to protect the populace.

FALL WOULD SERVE TIME IN HOME STATE

El Paso (AP)—Albert B. Fall was resigned Monday 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 Sunday 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. Giambrini, his private physician, to Frank Jogan, Fall's Washington counsel.

RESORT SAFES CRACKED

Rockaway, Ore. (AP)—Safe-crackers looted two businesses here early Monday, escaping with a total of \$275. The Rockaway Meat market and the Rockaway Drug company were the stores.

ARMY OFFICERS ARE STONED BY MAD ISLANDERS

Americans and Wives Attacked During Show For Two Senators

Throng of Nearly 200,000 Attracted by Hawes and Pittman

Manila (AP)—A group of American army officers and their wives was stoned by an angry crowd of Filipinos here Sunday while scores of thousands of islanders were participating in an independence demonstration before two United States senators.

Several Americans were hit. Captain Fred Adams of the 31st Infantry, and Robert Davis, son of an army officer, were injured but not seriously.

The incident occurred at the open air swimming pool of the Army and Navy club when the crowd of Filipinos, evidently curious, overran the grounds. Ordered off the grounds, the islanders became incensed and started throwing stones at those in and around the pool.

The police were called but only one officer was available, the others being busy handling the independence crowd several blocks distant. About 20 members of the club formed a phalanx and cleared the grounds.

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DONNELLY SEES RAIL MERGERS

Seattle (AP)—Railroad consolidation was predicted Monday by Charles Donnelly, president of the Northern Pacific, as a means of solving the present transportation problem.

Speaking at the annual convention of the National Association of Building Owners and Managers, Donnelly said that it was inevitable that the movement toward consolidation will go forward "either under the present law, or it may be hoped, under a law better adapted toward that end."

A tendency to coordinate motor and rail transportation will increase, Donnelly predicted.

No amount of taxation or regulation which the public would countenance, or which the railroads may fairly ask, can ever drive these new transportation agencies from the field. Within limitations they mark a definite advance in transportation methods, Donnelly said.

The public will cooperate with the rail carriers to insure for them sound financial structures. It was claimed.

What especially characterizes the present depression in the railroad world as distinguished from that of former times is that it is traceable in large measure to causes which will not disappear on the revival of business generally," Donnelly explained.

CELEBRATE RETURN OF MAYOR BAKER

Portland (AP)—Arriving home Monday from an European tour during which there was widely discussed speech-making and celebrating, Mayor and Mrs. George L. Baker found more speech-making and celebrating awaiting them.

Planes met the makers' train in the Columbia gorge; factory whistles blew as they entered town and at the depot bands, lodge marching bodies, a national guard detachment and veterans' organizations besides the official welcoming committee and private citizens greeted the executive and his wife.

Baker was one of the mayors who toured France as guests of the republic.

For a time he acted as chairman of the group. His address before the tomb of the Unknown Soldier was said to have drawn displeasure of other members of the party.

Welfare Board To Meet Tuesday Here

The first meeting of the welfare commission will be held in Portland Tuesday, Charles Gram, state labor commissioner, announced Monday. Gram is secretary of the commission.

The members of the new commission are E. J. Ellingsen, Salem; Mrs. C. W. Hayhurst, Portland; and Doris E. Keasey, Portland. The commission was created by action of the 1931 legislative session and takes over the duties of the former industrial welfare commission and the board of inspectors of child welfare.

Statue For Union Men Planned Here

Ways and means of raising \$10,000 for the erection of a bronze memorial statue for Union veterans of the Civil war on the state house grounds will be presented by the monument committee of the Sons of Union Veterans of the Civil war Tuesday night. It is announced by L. C. McShane, commander of Camp No. 6. Members of the committee are Charles Fessenden, C. A. Howard, state superintendent of public instruction, and U. G. Boyer, county clerk. The memorial was endorsed at the state meeting and the committee instructed to proceed with plans for raising the finances.

The proposed memorial will represent a veteran of the Civil war around the age of 60 and the figure will be in uniform. Other details, including location on the grounds, will be worked out later. Reports will also be given by those attending the state convention.

EIGHT ARE DEAD OVER WEEK END

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

The dead:

Gus England, 65, Barlow, 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 Willadsa 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, drowned in Badger creek.

John Mullins, 16, drowned in Hood river.

Mrs. Myron Moore, 65, killed by automobile at Seaside.

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 Marlan Youngman, 20. Both were passengers. Lewis Weitz, 24, was arrested.

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ITALY READY FOR DISARMING

Rome (AP)—Important assurances that Italy is ready to "go the limit" in arms limitation were believed Monday by State Henry L. Stimson during informal conversations with government leaders over the week-end.

Stimson spent the week-end with Dino Grandi, foreign minister, at Mettuno, a beach resort not far from Rome. Premier Benito Mussolini called informally on him at Castle San Gallo, where Stimson and his party were guests.

Mussolini and Grandi were understood to have informed Stimson the government was ready to reduce armaments drastically at the forthcoming world arms conference at Geneva next February—provided France does the same.

Stimson, as a result, gained authority to discuss the Italian position with France, especially regarding the French desire that the Geneva conference be postponed from February until June of next year. Italy and the United States both are firmly opposed to such action.

CHEESE STOLEN

Portland (AP)—Burglars entered the Italian delicatessen here, escaped with 800 pounds of cheese and 12 gallons of olive oil, police reported Monday.

Pantages Freed Girl Mart Case

San Diego, Cal. (AP)—Alexander Pantages, multi-millionaire showman, and his three co-defendants in the "girl market" case, were freed of conspiracy and morals charges Monday by Superior Judge L. N. Turrentine on motion of District Attorney Tom Whelan.

Airplane Accidents Claim Twelve Lives In Week-End Flights

By ASSOCIATED PRESS

Airplane accidents over the week-end claimed the lives of 11 persons in the United States and Canada, and another died as a result of injuries he sustained in a plane crash last Wednesday. Chester Bailes, 32, Kansas City, and William Warren, 22, San Antonio, Texas, burned to death in a crash at the Chicago municipal airport. Bailes was a pilot for the Braniff Airlines, Inc., and Warren a pilot for the Century Airlines, Inc. Witnesses said the plane had risen to approximately 700 feet when the motor quit after a takeoff.

Miss Elizabeth Osborn, 16, and Miss Ruby Hinson, 18, both of Jonesboro, Ark., were killed when the plane in which they were riding with H. E. Lawhead, pilot, fell

WITHDRAWALS BY FOREIGNERS CAUSES CRISIS

Summary Shows Reasons for Financial Collapse Threat, Germany

Investors Frightened by Success of Radicals—Depression Cuts Trade

By JOHN L. COOLEY
(Associated Press Financial Writer)

New York (AP)—Now it's the watch on the Reichsbank.

Germany's strong central bank, fighting what has been a losing battle against intangible forces of enormous power, symbolizes the economic struggle that has threatened her with financial ruin, a battle 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 volume 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 approximately \$10 billion.

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LUTHER FIGHTS FOR REICHSBANK

Basel (AP)—A dramatic battle for Germany's economic salvation developed in the directors' room of the bank for international settlements Monday afternoon with Dr. Hans Luther, president of Reichsbank, who brought the authoritative and latest word from the Berlin government on the financial crisis.

Landing here after a hasty flight from his distressed capital city, the Reichsbank president was ushered into the presence of other chiefs of central banks and American executives, who awaited his declaration with unconcealed anxiety.

The fast-traveling, rotund German at once began to reveal to his colleagues what the Berlin government requires or wishes in order to save Germany's financial structure from complete chaos. Whether his report consisted of demands, concessions, or only pleas, was a matter of speculation around the bank headquarters, where rumors of political and fiscal possibilities circulated excitedly.

Shut away privately, the directors of one of the world's most powerful banking combinations struggled to reach some agreement which would cure the troubled situation now threatening the economic stability of Europe. Results of their deliberations were expected to be announced Monday evening.

TRUSTY ESCAPES IN GRAIN FIELD

Frank Watt, 21, who had but eight months yet to serve on his five year sentence to the state prison, escaped from a gang engaged in thieving on the Wilson farm, four miles east of the penitentiary, Monday morning and at noon was still at large.

Watt just walked away from the gang of 12 convicts without being noticed by James Dorman, gun guard of the gang.

Watt was received at the prison to serve five years for forgery from Umatilla county on December 27, 1929. He had previously served time in the Idaho reformatory and state prison.

He is described as being 5 feet, 9 1/2 inches tall, weight 146 pounds; slender and has dark complexion and dark brown eyes. He has a deep dimple on his chin and a slanting scar under his right eye.

PORTLAND GIRL STILL UNCONSCIOUS

Portland (AP)—There was no change Monday in the condition of Eleanor Norene, 16, unconscious since noon Thursday when she rode her bicycle into the side of a moving automobile.

She lay unconscious more than 30 hours before she was identified by her father, Mr. and Mrs. F. J. Norene, who had not become alarmed at her disappearance as they said, they thought she must be visiting friends.

Circuit Judge Gilbert has announced that members of his court of domestic relations will investigate the case if the girl recovers.

Ex-Football Star Loses Eye in Fight

El Paso, Texas (AP)—Mike Mahoney, 24, former Oregon state football star, was treated in a hospital here Monday after losing his left eye in a fight. Attacked by two men in a Juarez bar, Mahoney was struck with bottles. He said he did not remember how the fight started.

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Tax Slashing Plan Not So Simple As Governor Asserts

By HARRY N. CRAIN

With Hal Hoss, secretary of state, and Rufus Holman, treasurer, both out of the city Monday and board meetings therefore impossible Governor Meier was giving his attention to two matters of his own devising—formulation of the statewide committee which is the Oregon Taxpayers' Equalization and Conservation league and inauguration of a movement to stimulate the production and consumption of Oregon made products.

When the 65 delegates appointed by the governor from over the state met here last Wednesday and organized the taxpayers' league they authorized Governor Meier to appoint three taxpayers from each county in the state, except Multnomah, to comprise the permanent membership of the organization. The governor in turn asked the delegates from each county to recommend residents of their counties for appointment.

Monday morning not all of these recommendations had been received. (Continued on page 9, column 6)

HOGAN LEADER IN GOLF SCORE

Portland Golf Club, Portland (AP)—Collecting three birdies and paring all the rest of the holes, Eddie Hogan of Portland appeared to be the medalist of Monday's 18 holes of the 36-hole qualifying round of the Western Amateur Golf association tournament. He posted a brilliant 69, three under par.

Johnny Robbins, 20 year old youngster, scored a par 72. He was one over par on the first nine with a 36, and one under going home for a similar score.

Tab Boyer, Portland, dropped one stroke to par on the second nine to wind up with a 73. Wilhelm tied him with a 73.

Don Moe, Portland, and H. Chandler Egan, Medford, followed with 74 each, and Dr. O. F. Willing, Portland, Johnny Shields of Seattle and H. B. Westbrook of Pasadena took 75 each.

Other scores were:

V. Dolp, 75; Joe Brown, Portland 76; H. Thompson, Glendale 76; Fay Coleman, Los Angeles, 76; Frank Dolp, Portland, 76; Charles H. Seaver, Los Angeles 76; Russell Thompson, Los Angeles, 77; Francis H. I. Bunning, Honolulu 78; L. E. Bunting, Chicago 79; Clare Griswold, San Francisco 80; Phil Findlay, Redlands 80; Everett H. Seaver, Los Angeles, 81; Norman Buoy, Portland 82; Leslie S. Gordon, Chicago 83; Walter (Continued on page 7, column 5)

MEXICAN ACE CRASHES, BEACH

Mexico City (AP)—The pilot of a Mexican aviation company plane bound for Brownsville reported by wireless Monday afternoon that he had sighted a plane, apparently the Captain Emilio Carranza, crashed on the beach between Tampico and Brownsville. He said he saw two fliers near the plane, apparently unhurt.

Henry Dorrell, the Mexican line pilot said he could see the number NR-965-V on the plane.

This is the number of the Captain Carranza in which Edward Maloney and Seth Verrington took off from Roosevelt field Sunday afternoon for a flight to Mexico City.

The two men on the beach waved to him, he said.

Dorrell reported that a light plane could be landed on the beach to rescue the castaways.

The spot where he saw the wrecked plane is about 60 miles north of Soto in Marina, in the state of Tamaulipas, between Tampico and Brownsville. Dorrell said the left wing tip was smashed.

UNITED STATES LIMIT REACHED

Washington (AP)—Ogden Mills, assistant secretary of the treasury, told newspapermen Monday morning the United States government has gone as far as it could go in relieving Germany's financial distress.

"The United States," Mills said, "has put approximately \$400,000,000 at Germany's disposal through the president's debt policy plan, and cannot do anything more."

As outlined by Acting Secretary of State Castle Sunday night, the administration attitude is that the present German problem must be faced by bankers. Castle said it was the administration understanding that American credit would be forthcoming, presumably from the New York Federal Reserve bank, if representatives of European banks are able to devise a relief program.

Mills was asked if the treasury would guarantee any credit the federal reserve system might choose to extend to Germany. He replied there was no legal authority for such a guarantee.

NO CONFIRMATION OF AMERICAN LOAN

New York (AP)—Reports in London that British and American bankers extended a \$300,000,000 loan to Germany could not be confirmed in Wall street.

It is understood that American bankers have been prepared for several days to participate in such a credit pending satisfactory arrangements.

It was said at the Federal Reserve bank that the extending of credit rests with the developments at the world bank conference at Basel, that the problem was regarded as primarily a European matter, and that the Federal Reserve was taking no initiative in it.

AIRPLANE CRASHES AT SWAN ISLAND

Swan Island Airport, Portland (AP)—An airplane piloted by Carl Forstrom, with Walter Ready as a passenger, went out of control here Monday and ended a wild flight by crashing into the lobby of the administration building.

Cautions: One wrecked monoplane, one scrambled lobby and front door, one skinned leg for Ready and no damage whatever to Forstrom.

SITUATION IN BERLIN GROWS MORE ACUTE

\$30,000,000 Bank Collapses — Government Assumes Guaranties

Cabinet in Constant Session — World Bank Directors Meet at Basel

Berlin (AP)—Directing all its energies towards saving the nation from financial ruin, the German government Monday issued an emergency decree taking over guarantees of the \$30,000,000 Darmstadter und Nationalbank, 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, and to help prevent the panic from spreading the government closed the stock exchange for Monday and Tuesday.

Jacob Goldschmidt, head of Darmstadter and regarded as one of the ablest bankers in Germany, asserted Monday a moratorium should have been declared by all the German banks weeks ago and it ought to be (Continued on page 9, column 5)

HOOVER SCANS GERMAN CRISIS

Washington (AP)—President Hoover turned his undivided attention Monday to the German financial situation.

Returning from his Rapidan camp where he spent the week-end, the chief executive found important communications concerning Germany's plight on his desk and immediately began a study of them.

Additional information came to him from the state department, the treasury and press reports.

All available sources were used by the White House to keep in close contact with the situation, although it was said that the chief executive had not communicated directly with Ambassador Sackett nor with any other official in Germany.

BRITISH OFFICIALS SILENT ON CRISIS

London (AP)—British official circles observed caution Monday in commenting on the German economic crisis. Interest in the financial situation centered Monday at Basel.

Arthur Henderson, foreign secretary, will go to Paris Tuesday and on to Berlin Tuesday night. Prime Minister MacDonald will fly from London to Berlin Friday. Joining the foreign secretary for Anglo-German conversations along the lines of the recent week-end meeting at Chequers.

Preparations are going ahead for the experts' conference on the Hoover reparations holiday, which begins in London next Friday.

Soldier Swallows False Teeth and Rushed to Doctor

El Paso, Texas (AP)—Strapped into a hurriedly borrowed parachute, half choked by two false teeth he had swallowed, Private Olaf Nelson, 30, a soldier at Fort Bliss, was enroute to Washington Monday in a huge army ambulance plane.

Lieut. E. S. Irwin, army flier, piloted the big ship across the country in a desperate dash to save the soldier's life, after repeated attempts at the William Beaumont army hospital, here, to remove the teeth had failed.

In the cabin of the plane, beside the gasping soldier, was Major Daniel Franklin, of William Beaumont hospital, who ordered the flight.

Ahead of them, surgeons at the Walter Reed hospital in the nation's capital were warned to be in readiness to perform the delicate operation necessary to save the soldier's life.

STATE OF SIEGE

San Salvador, Salvador (AP)—Congress declared a state of siege in Salvador Monday on request of the president.