

RUMOR CAMPAIGN DESIGNED TO HURT RULE OF CARDENAS

Powerful Interests Waging
Whisper War On Mexican
President For Plans To
Elevate Peasant Classes.

By William H. Lander
(UP Staff Correspondent)
MEXICO, D. F., (UP)—Approaching the middle of his six-year term as president of the United Mexican States, General Lázaro Cárdenas is spurring forward his efforts to convert Mexico into a democracy of laborers.

Working long hours and traveling over all sections of the republic, the executive's first aim is to improve the lot of the laborers and peasants—nearly all of them Indians—who constitute the great majority of the 18,000,000 Mexicans.

In doing so, Cárdenas knows he is antagonizing powerful interests and prominent people, whose most potent counter attack has been in the form of a well-defined rumor campaign, now centered along two lines:

1. An attempt to convince the public that what is now happening in Spain, will happen next in Mexico.

2. An effort to discredit the people's confidence in the financial stability of the treasury and of the national currency.

Tourists Hear
American tourists came into the United Press office here every few days to report rumors that a revolution is at hand.

Even such reports are discussed by public speakers—notably Rep. Maury Maverick (Democrat, of San Antonio, Tex.), who lives only a few miles away from the border, in speaking during the last session at Washington.

Vicente Lombardo Toledano, who as leader of the CROM (Confederación de Trabajadores de México) calls himself a spokesman for 600,000 organized Mexican workers, has on several recent occasions also talked of the "Fascist plot" which is being incubated against Cárdenas.

Denies Revolt
The president answered all this in his recent speech at Merida, Yucatán. "There is no danger that we will find ourselves in a situation similar to the Spanish one," he said, adding that he has full confidence in the army, the peasants, the school teachers, and the laborers—whom he considers the four pillars supporting his regime.

The anti-Cardenas "financial offensive" is also very active. Strikes in banks at San Luis Potosí and Tampico, caused by employees seeking higher wages, started all sorts of unfounded rumors as to the stability of the national bank structure. The strikes were settled, and Cárdenas promised to study the grievances of the employees.

Next came a whispering campaign that the peso would be further devaluated. The Mexican currency is on a dollar-exchange basis, with considerable silver in circulation as token money. The old rate was 200 (two pesos) to the United States dollar. In 1932 it was decided that the peso was too high, so it was changed to the ratio of 350 (3 pesos, 50 centavos) to the dollar. Thus the peso, which used to be worth 50 U. S. cents, became worth only 27.7 cents.

No Fluctuation

Since then the value has not fluctuated. Still, there never has been any exchange control. There is a tax of 4 percent on any remittances which are made abroad, known as the absentee tax.

Traditionally, Mexico has been a country where much silver circulated. The one-peso pieces are known the world over. They were temporarily removed from circulation in 1935 when the price of silver under the Roosevelt silver-purchasing plan reached a new high. In 1936 they were returned to circulation, and effective September 1, 1937, the one-peso paper notes have been withdrawn.

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TO WRITE A WILL

By Howard S. Hays

Author of "The Will Book"

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Winner Has Tax Troubles



Alfonso Vega, 35, ship's pantryman who won \$150,000 in a 1936 sweepstakes is shown as he was fingerprinted in Los Angeles by Deputy U. S. Marshal Charles Hough (right) following his arrest in Yuma, Ariz., on a charge of failure to pay \$69,000 in federal income taxes. Federal authorities said he had spent all but \$10,000 of his sweepstakes prize.

Buy Gold
A few weeks ago it began to be insidiously rumored that for various reasons the Bank of Mexico could no longer "peg" the peso at 350 and that it would soon drop to 4 pesos to the dollar. Many people rushed to the banks to buy foreign drafts; others bought silver or gold.

Minister of Finance Eduardo Suarez only recently issued a statement in which he frankly admitted that "public opinion was confused" by these rumors, and emphatically declared that the ratio of 350 would be maintained. He added that the government receipts in July had reached a new record high of 45,000,000 pesos.

Even this was seized upon as a confession of debility. In the fact of all this talk, Cárdenas is constantly announcing new expenditures. He revealed that the agrarian program in the cotton lands of La Laguna (states of Coahuila and Durango) required a government expenditure of 41,000,000 pesos, when previously it had been thought that the job could have been done for 29,000,000.

Wider Spending
Furthermore, he embarked on the division of the henequen lands of Yucatán, which he calculated would cost 35,000,000 the first year. Agrarian experts calculate that it will take another 20,000,000 to divide the land of ex-U. S. Consul William Jenkins in the state of Yucatán.

Only a few days ago the federal government gave 1,500,000 pesos to the National University of Mexico (which is not under government control). Nobody doubts the difficulties which Cárdenas is facing. The oil controversy is much more serious than many people realize. The last time it arose it got volumes of publicity, because Mexico, with Dwight W. Morrow, Will Rogers, Charles A. Lindbergh and others in and out of the picture, received much more attention abroad than in now the case—even though in 1937 there are about 1,000 United States tourists coming to Mexico for every one who came here back in 1927.

Weed Control Progressing
LA GRANDE, Oct. 4.—(AP)—A union group fight against Russian knapweed and whitlop is producing results. Chemical spray and clean cultivation used to eradicate the weeds and cooperative cultivation contracts among farmers resulted in 87.5 acres being "controlled."

Easy Hunting
LA GRANDE, Oct. 4.—(AP)—Ira Lannan, of Pumpkin Ridge, shot a deer without ever leaving his flower garden. Talking with a friend, he looked up to see a three-point buck curiously considering him. Lannan grabbed a rifle and got 227 pounds of venison.

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COURT POSTPONES RULING ON BLACK CHALLENGE MOVE

(Continued from Page One.)

was in session, before adjourning until next Monday. Black sat solemnly at the left of Justice Roberts.

He looked over to where Mrs. Black was seated and frequently glanced about the packed chamber.

When court recessed, Mrs. Black turned to leave. Mrs. Hughes, wife of the chief justice and Mrs. Brandeis, wife of Associate Justice Brandeis, smiled warmly, and apparently introduced themselves as they shook hands. Mrs. Black and Mrs. Hughes talked and laughed together for a few minutes.

Friends Greet Wife
As Mrs. Black walked from the courtroom, there was a rush of friends to greet her.

"Oh, Josephine, you were lovely," one woman said.

Mrs. Black said that she expects to go to Birmingham, Ala., tomorrow.

Her three-year-old daughter, Josephine, stayed with relatives there while the justice and Mrs. Black were in Europe recently.

The new justice entered the packed chamber to the accompaniment of the chief's traditional "Oyez, oyez," which opens the daily session.

Mrs. Black smiled happily as she watched the proceedings from a close-up seat at the side of the chamber.

The session was the first of a new eight months term.

Preceded by Justices Butler and Roberts, Black entered the chamber looking solemn.

After taking his seat he looked over to the place in the room where his wife was seated. He still appeared most solemn.

Chief Justice Hughes announced formally after the justices were seated that Black had been nominated and confirmed and had presented his credentials.

No mention was made of the oath.

Challenge Voted
The chief justice then called for the introduction of attorneys to be admitted to practice.

In the midst of that, Kelly arose. "I am Patrick Henry Kelly of Boston," he said.

"Are you introducing an attorney?" Hughes said.

"I want to ask the court a question," Kelly replied.

"You are out of order," Hughes replied. "The court is now admitting attorneys to practice."

In his statement of Black Hughes said:

"Hugo L. Black of Alabama, former member of the senate of the United States, has been nominated by the president to the office of an associate justice of the supreme court of the United States. His nomination has been confirmed by the senate. He has presented his commission which has been filed in the form prescribed by law."

Levitt avoiding the gaze of curious spectators who lined the great, white pillared hall, closeted himself in a small study adjacent to the court's library.

Questioned by newsmen as to the soundness of arguments advanced

Saturday by the Rev. C. C. Chapman, S. D., of New Orleans, challenging the right of Justice Black to take the bench, the former judge said:

"I do not think the criminal law can be invoked in this case."

Illegally Seen

The Rev. Chapman, a Jesuit priest and professor of constitutional history at Loyola university of the south, contended that in view of Justice Black's former Ku Klux Klan membership it would be illegal for him to sit on the high bench because it would be a violation of a civil right's statute passed in 1870 against conspiracy to injure or intimidate persons exercising civil rights guaranteed by the constitution.

Levitt suggested that should the court deny him the right to present his petition there would be "other ways" of continuing the fight. He declined, however, to make public his future plans.

Although many of the attorneys and distinguished guests wore formal attire, Levitt wore simply a blue serge business suit, a soft white shirt and a dark blue tie.

**DESPERATE CONS
KILLED IN BREAK**

HUNTSVILLE, Tex., Oct. 4.—(AP)—Two desperate convicts, pals of the late Raymond Hamilton and cigar-smoking gun-woman, Bonnie Parker, were dead today and a third convict was near death, victims of two quick shooting guards at Eastham state prison.

The dead men, shot yesterday as they led an attempted mass break by the 27 inmates of the prison's special wing for incorrigibles, were Roy Thornton, Bonnie Parker's husband, and Austin Avers, sentenced for a part in the death house escape of Hamilton, southwest bandit. Thornton was serving 50 years for burglary.

Forrest Gibson, serving a sentence for slaying a guard at Retriever prison farm in a break there last June, was shot three times and was not expected to live.

Clyde Thompson, convicted of killing two brothers "just to see them kick," was slightly wounded.

**HOG-KILLING COUGAR
SOUGHT IN PORTLAND**

PORTLAND, Oct. 4.—(AP)—Deputy sheriffs "hunted to hounds" here today in an attempt to kill a man-raiding eight-foot cougar which raided a pig-sty at the edge of the city Friday night.

The cougar was seen by Albert B. Snodgrass, caretaker on Mrs. C. M. Smith's farm only a few feet outside the city limits, after he had been awakened by the squealing of hogs in the sty. Two pigs were killed and one almost entirely devoured.

**A WATCHDOG over
Wall Street is William O. Douglas, new S.E.C. chairman.**

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**CALIFORNIA'S BID
for national corn-growing honors are these 16-foot stalks, displayed by Miss Jerry Hoffman at Los Angeles county fair.**

SHANGHAI, Oct. 4.—(AP)—The safety of American refugees at the port of Chefoo, in Shantung province 400 miles north of Shanghai, was imperiled today by a Chinese threat to destroy the breakwater protecting the harbor.

Chinese military authorities this morning warned the United States destroyer squadron No. 5 to evacuate the harbor within 48 hours as they might find it necessary to blow up the mole wharf, making the harbor unsafe for shipping.

Admiral Harry Yarnell, commander of the United States Asiatic fleet, expressed the fear that destruction of the breakwater within the time limit would seriously handicap evacuation of American civilians as it would make landing rescue boats almost impossible.

Martins to Stock Show.
SALEM, Oct. 4.—(AP)—Governor Charles H. Martin announced today that he would spend two or three nights in Portland this week attending the international Pacific livestock exposition. The governor, along with Mrs. Martin, will occupy a box.

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DAMAGE SUITS ARE FIRST ON DOCKET OF FEDERAL COURT

(Continued from Page One.)

the morning to consider a number of criminal cases to be presented by Mr. Donoghue. It is seldom that a federal grand jury is impaneled here. A panel of trial jurors also will probably be selected.

The court calendar will comprise two civil suits and whatever criminal cases in which the grand jury returns indictments.

The civil cases are Allan Glass, as administratrix, for the estate of Clayburn Glass, her deceased husband, versus Shuchitaro Fujii for \$10,000 and Allan Glass versus the same defendant for \$10,000 for alleged personal injury.

The suits resulted from an accident involving the Glass and Fujii automobiles on the Pacific highway two miles north of Medford last December 22. Mr. Glass was fatally injured as a result of the accident. It is alleged.

Trial of the civil suits is scheduled to start tomorrow. A. E. Reames is counsel for the plaintiff and Roberts & McAllister for the defendant.

**CHEFOO REFUGEES
FACE NEW PERIL**

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NEGRO PRISONER SEIZED, LYNCHED

MILTON, Fla., Oct. 4.—(AP)—Four men waylaid Sheriff Joe Allen on the highway near Port Walton, Fla., late last night, seized a negro prisoner and lynched him.

A coroner's jury returned a verdict that the negro, listed as J. C. Evans, 30, came to his death at the hands of "parties unknown."

The prisoner was being brought here from Panama City to face trial today on charges alleging a "crime against nature" involving a 12-year-old white boy and with robbing a filling station.

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