

LOST FLYERS STILL HIDDEN IN BUSH LAND

Australian Natives Say
Aviators Had Been Seen
in Jungle Land

SYDNEY, N. S. W., April 10. (AP)—Yesterday's lively hopes for the safety of Captain Charles Kingsford-Smith and the missing Southern Cross fliers were not entirely abandoned today, although they seemed to rest on very frail ground.

A relief plane flying yesterday over Drysdale Mission station exchanged signals from the air with mission workers there in a dramatic fashion, gaining the information that the Southern Cross was down between that station and Post George.

A point on the coast about 30 miles distant was specified and the pilot, whose name was Woods, was led to believe the mission workers had gained their information from Bushmen or natives. They were unable to tell him of the condition of the castaways.

He traveled in the direction indicated and saw some natives and smoke signals but failed to locate the Southern Cross. After flying around a wide area he went to Derby and filed messages relating his adventure. It was understood here it was intended to follow the clue by searching afoot who could make attempts to question the natives.

COMMITTEE FOR MEMORIAL DAY IS APPOINTED

E. J. McLaughlin, A. L. Malloy and T. P. Stasinos were appointed as a committee of three to represent the American Legion in making final plans for the Memorial Day program to be carried out here by Spanish War Veterans.

This committee will cooperate with the Spanish War Veterans in arranging for the annual program.

At a special meeting of the executive committee of the Legion held last evening the committee was named.

NOTICE OF ASSUMED BUSINESS NAME FILED

Notice that the stage line he is operating will be known as the Klamath Falls, Chiloquin stage line has been filed by Charles B. Howard who recently purchased the line from M. S. Rohn.

Assumed business name of the Globe Adjustment association was also filed in the county clerk's office by Walter J. Kershman and Lawrence K. Prescott, Jr.

Big Boys Will Throw Gloves at Chiloquin

It will be a card of behemoths at Chiloquin tomorrow night. Gene O'Grady is matched to fight Nails Gorman in the main event. The boys are light heavies.

Dick Reed clashes with Larry Holman, Bend heavyweight, in the semi-main event.

Big Tom Edmundson and Bob Small, light heavyweights, slug it out in a four round special.

Jimmy Robertson and Spike Gorman, 140 pounders, meet in one preliminary and Jack Franklin and Carl Pitts, 155 pounders, meet in the curtain raiser.

Expect Early Action on Two County Roads

Early action on the construction of two major county road projects, the eight mile Poe Valley-Mallin highway and the ten-mile road connecting Sprague River with the Klamath Falls-Lakeview highway.

"The county court," Mr. Henry explained, "has filed official notice declaring that these proposed routes are public highways. These notices were posted March 20. If no protests are received on or before April 20, we will be in shape to proceed with the work."

Mr. Henry and his aides have been busy engaged in lining up county road construction for the ensuing year. A large program of construction is in prospect as it is the intention of the county court to complete the road bond issue roads as well as construction and maintain market roads and other county roads.

SENTENCE W. M. RANDALL TO 3 YEARS IN PEN

Sentence of 3 years in the state penitentiary was imposed late yesterday on William Miles Randall, forger, following his plea of guilty before Judge W. M. Duncan.

Randall attempted to commit suicide recently by swallowing some "Fly-Die," a fly killing concoction. His wife is being held in jail on a forgery charge.

COMMERCIAL SERVICE
SUES JOHN W. ALLEN
Suit for the recovery of \$209.37, an account transferred to it by the J. K. Gill company, and for the recovery of \$35.12, and assigned to it by the Oregon News company, has been instituted in circuit court by The Klamath Commercial Service company against John W. Allen. D. E. Fletcher represents the plaintiff.

ROADS OFFER TO BUYS BONDS

(Continued from Page One)
we voted. During this time there have been several attempts made to get some kind of a settlement and there have been reports of different offers made. But I have been unable to find where the City of Klamath Falls, up to the time I took office, ever had a bonafide offer made to it for a settlement of these bonds.

"I first took office a little over two years ago and after acquainting myself somewhat with city affairs, I decided that there were two things of major importance that I would like to see completed during my administration. One was the construction of the Sanitary Sewer System and the other was a settlement of the O. C. & E. Income Bonds. After a little investigation, I found that Mr. Strahorn had sold the railroad to the Southern Pacific and that the Great Northern had made application to buy a half interest in it.

"I first met Mr. Budd along in the middle of the summer of 1927 and I asked him what his attitude would be toward a settlement of the O. C. & E. bonds in case the Great Northern acquired a half interest in the Strahorn road, and he said that it would be favorable. A little later on I met Mr. Shoup. I asked him the same question and received the same answer.

"In February, 1928, the Interstate Commerce Commission gave the Great Northern permission to buy a half interest in the road. On February 14th, 1928, I wrote the following joint letter to President Sproule of the Southern Pacific and President Budd of the Great Northern:

"I have been advised that the Interstate Commerce Commission has approved the purchase by the Great Northern Railway Company of one-half of the stock of the Oregon-California and Eastern Railway Company. It is my understanding that there was, at least, a verbal agreement between the Great Northern and the Southern Pacific railroad companies, that as soon as this purchase was approved, they would take up the settlement of the Strahorn Bonds jointly with the City of Klamath Falls, and I wish to inform you that the city council and myself will be pleased to take the matter up with you and Mr. Budd, or your authorized representatives, at any date you may see fit to set."

(Signed)
T. B. WATERS, Mayor.

"On February 18th, I received the following letter from Mr. Sproule:

"Referring to your letter of February 14th.

"When I have an opportunity to discuss with President Budd of the Great Northern Railway company the subject of the completion of their taking over one-half of the stock of the Oregon-California and Eastern Railway company, your letter will be borne in mind.

"There is no understanding of any kind about the bonds, which were issued in consideration of twenty miles of railroad being built from Klamath Falls to Dairy and the consideration has been complied with by the construction contemplated.

"We are under no obligation expressed or implied to lift these bonds out of the hands of those who are the holders of them. Naturally we regard them as we would any other bonds, including bonds of our own issue, as being governed by the terms stated at the time of the issue and which are shown on the face of the bonds."

"On February 21st, I received the following letter from Mr. Budd:

"Replying to your letter of February 14th.

"There has been no agreement between the Great Northern and the Southern Pacific that I know of concerning the Klamath Falls bonds, but you are correct in assuming that the subject is one that will have to be considered jointly by the officers of the two railroads, and also one that we were not in position to deal with prior to the approval of the Interstate Commerce Commission of the purchase by the Great Northern of half interest in the O. C. & E.

"Mr. Gilman will handle this matter for me so I am sending your letter to him."

"You will notice that they both state very emphatically that there was no agreement between them for a settlement of these bonds and I am willing to admit that the wording of my letter did not convey the true meaning, which was that they had both told me individually that they were favorable to a settlement. However, the letter answered its purpose and the settlement was eventually left up to the Western Representatives of the two railroads, namely Mr. Shoup and Mr. Gilman.

"I found that my term of office was about to expire and I had not completed either one of the major projects that I had started. After my re-election, I was determined not to let another two years go without a settlement of these bonds, so I became a little more insistent in my correspondence, with the result that before the first of January of this year we were discussing terms of settlement.

After a conference with Mr. Shoup in San Francisco, at which Mr. Dennis was present, and one in Klamath Falls and one in Portland with Mr. Gilman, we arrived at a figure which the council and myself felt justified in submitting to you people for approval, that figure being \$50,000.00 in cash and the O. C. & E. property adjacent to Seventh street. (This property was appraised a year ago by the local Realty Board at approximately \$100,000.00). It includes the property which the Federal government has contracted to buy for \$23,100.00, and the proceeds of this sale would go to the city.

"In talking the matter over with Mr. Dennis before submitting it to you, he suggested that it would be a good idea to try and get an alternate bid of \$150,000.00 in cash, for the reason that there might be some objection to taking over this property. I agreed with him and wrote the following joint letter to Mr. Shoup and Mr. Gilman:

"It is the intention of the City of Klamath Falls to advertise the O. C. & E. Income Bonds for sale, with the understanding that the Southern Pacific company and the Great Northern Railway company will bid \$50,000.00 in cash and the O. C. & E. property adjacent to Seventh St. Would you consider submitting a bid of \$150,000.00 in cash also, making it optional with the city as to which bid they care to accept?"

"After studying this settlement carefully, I am convinced that if you will consent to do this, we will be able to bring this matter to a final settlement in a very short time.

(Signed)
T. B. WATERS, Mayor.

To which I received the following reply:

"I have your joint letter of March 23rd, regarding purchase of the O. C. & E. Income Bonds by Great Northern and Southern Pacific.

"I have had the matter up with Mr. Shoup, and is agreeable to him—as it is to me—that we make the alternate bid suggested.

(Signed)
L. C. GILMAN.

"Referring to your letter of March 23rd, addressed jointly to Mr. L. C. Gilman and myself suggesting that Southern Pacific Company and Great Northern Railway company make two bids, one of \$150,000.00 in cash, and another of \$50,000.00 in cash and the O. C. & E. property adjacent to Seventh street, for the Oregon, California and Eastern Railway company income bonds; leaving it optional with the City of Klamath Falls which bid to accept."

"I think the alternate bid will be all right, and subject to Great Northern approving of it, I am agreeable to our bids being made on that basis. I have wired Mr. Gilman accordingly."

(Signed) PAUL SHOUP.

"Now I want to thoroughly understand that during all of the discussions and correspondence covering the past two years, in trying to bring about a proposition for settlement, the council and myself have had in mind at all times that we were merely acting as your representatives and that the final decision would be left up to you."

"While we would all like to get the full \$300,000.00, I believe that we have gotten the very best offer that we can get through peaceable methods. Our only other course would be to

demand an accounting to ascertain whether or not there is any income from this road after the interest on the first mortgage taxes and the operation and maintenance have been taken care of, and I think that if you will investigate, you will find that it is the history of all feed-lots, such as the O. C. & E.—especially where owned jointly by two railroad companies—that the revenue very seldom exceeds the operating expense.

The following is a statement of the income of the O. C. & E. for the past three years:

Statement of O. C. & E. Road.
1926 Deficit\$ 5,301.75
1927 Deficit\$ 25,053.55
1928 Deficit\$ 43,578.36

If this is the case, and the city holds these bonds for 93 more years, they will receive \$300,000.00 for them. On the other hand, if they accept the \$150,000.00 and invest it at four percent interest, compounded annually, it will amount to over \$6,000,000.00 at the end of 93 years.

It is the intention of the city council to advertise these Income Bonds for sale on the open market. We are assured that the Southern Pacific and the Great Northern railways will bid the amounts heretofore stated. We will then submit the bid to a vote of the people and it will be up to you to say whether or not you wish to sell and if so, which bid you prefer.

"I want to take this opportunity to publicly thank the council for their co-operation in bringing this settlement to its present status.

"I also want to thank Mr. Dennis for his co-operation in refraining from harassing either the railway companies or myself in his papers until such time as we have had a chance to arrive at some kind of a settlement."

(Signed)
B. E. KELLY.

J. DYER RAPS
RAIL PROJECTS

(Continued from Page One)
\$40,000,000 in Oregon's future, would add greatly to the total investment in the state's railway system. This surplus of railway facilities would not be profitable, would lead to depletion of service on both railways and would be a stumbling block in the way of securing new capital for future railway investments and improvements in Oregon. A new railroad should be projected and constructed only upon the basis of potential new traffic and revenue definitely in sight. No one yet has been able to point out any definite prospect of new freight tonnage for the proposed line, nor can it be successfully contended that this line would lead to any measurable development for the region through which it would pass.

"Traffic statistics, not words should be used to indicate the need for new railway lines and as yet such statistics have not been presented. As a matter of fact more of the anticipated traffic of the proposed line would be diverted from Southern Pacific rails, upsetting the traffic calculations upon which we invested many millions of dollars in pioneering construction."

"Southern Pacific would be quite content to let this fight be staged where it belongs—before the Interstate Commerce commission but, as the Great Northern is committed to a publicity program we have been forced to take issue with them upon their own grounds."

MOE'S
The Woman's Store

INVITES
ALL WOMEN OF KLAMATH COUNTY
TO THEIR

Fabric Fashion Show
Thursday and Friday
APRIL 11-12th
2:30 O'clock

Moe's
THE WOMAN'S STORE

BLAZE RAZES BEATTY STORE

(Continued from Page One)
the blaze quickly spread to an adjoining warehouse owned by the Sycauan store company, and a bunch counter, located in the front part of the warehouse owned by C. Rhodes.

Townpeople of Beatty soon realized that only concentrated effort would save the entire community. A bucket gang was formed which supplemented the activities of a hose department. Volunteer fire fighters rushed out of dwellings and joined in an effort to save the reservation center.

John Schmitz, who operates a store at Beatty said this morning that although his store was 49 feet from the blaze, the heat would have gutted the store if its sides had not been drenched with water.

The Sycauan store was owned by John Simmons and George Spars, well known Klamath residents. Loss is estimated at between \$35,000 and \$40,000, part of which is covered by insurance. The blaze originated in the northeast end of the building, the homes of the diplomats.

Its origin was a mystery and this morning Sheriff L. L. Low was investigating the case.

At first it was supposed that the blaze might have been incendiary—the work of some fire bug or enemy of the owners. But later developments have convinced authorities the blaze originated from another cause.

Nothing was saved—the buildings and everything in them, were a total loss.

When the Sycauan store burned, the United States post office of Beatty also went up in flames, as the post office was located in the store.

After the secretary's reply was delivered to the British ambassador, the members of the corps were summoned for a meeting today to consider the problem thus put up to them.

In a letter to Vice-President Curtis, Mr. Stimson said he had no doubt that "this matter will work out with the fullest courtesy to you and your official hosts. While Mr. Cartles has refrained from comment since making public his protest, his friends have been convinced that the only solution which would be satisfactory to him would be the recognition of his sister as being equal to his own, and that he would not attend functions at which she was assured such recognition."

STIMSON STAYS
OUT OF FIGHT

(Continued from Page One)
secretary's ruling correctly set forth the custom of precedence in recent years, the department had no authority to determine the social status of any except foreign representatives. In his reply to Sir Esme Howard, the British ambassador and dean of the corps, he said that decisions as to the precedence in which American officials and their wives should be received within the homes of the diplomats rests wholly within the discretion of the members of that corps themselves."

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BILIOUSNESS
RELIEVED
QUICKLY

This Purely Vegetable Pill quickly starts the bile flowing, gently moves the bowels, the poisons pass away, the sour and acid stomach sweetens, and biliousness vanishes. Rick Headache, Indigestion, Bad Breath and Complexion improve by the gentle action of these tiny vegetable laxative pills. All Druggists 25c and see red pills.

CARTER'S LIVER PILLS

"We Have It"?

Absolutely the Best Values in Town—
That's Why Thousands of Our Customers Say "Buy Bargains at the Bargain House"

John D. Rockefeller

Gives Away Dimes—The Bargain House
Almost Gives Away Merchandise. Come in and Examine Our Wonderful Bargains. You Will Easily Be Convinced That, Sale or No Sale, We Always Undersell

Watch Our Windows For Friday and Saturday

And You Will Witness the Greatest Price-Slashing Event Ever Staged In Klamath County. Prices 'Faw Down and Go Boom!'

Watch Our Windows

The Bargain House

The Only Store That Features
Genuine Bargains

521 Main St.

Klamath Falls

PINE TREE

TODAY
W. C. FIELDS and
CHESTER CONKLIN in
'Fools for Luck'
Cap Yourself with Wisdom
and See This One!

Starting Tomorrow

George Bancroft

—in—

"Dragnet"

He's a Case-Hardened,
Straight Shooting Detective this time.

LIBERTY

TODAY
H. C. WITWER'S
'Alex the Great'
Laugh Hurra—City
Slickers—Slang De Luxe
in this tale of a rube who
took a city and made Alex-
ander the Great look like
a piker.

Opening Tomorrow

"The Charge of
The Gauchos"

—with—

JACQUELINE LOGAN and
FRANCIS X. BUSHMAN

De Luxe Entertainment Week At the PELICAN THEATRE

LAST TIMES TODAY

JACK FINE'S FOLLIES

A Special Unit Show of
JUNIOR ORPHEUM VAUDEVILLE

Starting Tomorrow for 3 Glorious Days
You'll Marvel at

"ABIE'S IRISH ROSE"

—with—

BUDDY ROGERS, NANCY CARROLL
and JEAN HERSHOLT

Until You've seen this film, you do not know to what
Depths Human Emotions can be plumbed!

2 Performances Daily at 2 and 8 P. M.