

CIRCULATION
Daily average distribution for the month ending October 31, 1929
6,674
Average daily net paid \$5,929
Applicant for membership, Audit Bureau of Circulations.

SEVENTY-NINTH YEAR

TWO BANKS OF SALEM MERGE THEIR ASSETS

Bank of Commerce Consolidates With First National at Once

Combined Deposits of Both Institutions Over Two and Half Million

Effective following the close of business Saturday, two Salem banking institutions, the First National and the Bank of Commerce, consolidated through the purchase of the latter by the former. The transfer of accounts and physical assets of the Bank of Commerce to the First National is being completed today so the customers of both banks may be cared for in the quarters of the First National Bank in the Lively building on Monday morning. While the machinery of transfer is a sale, the effect will be the merging of the two institutions through acquisition of stock in the First National by former directors of the Bank of Commerce who will accept places on the First National directorate.

The combined deposits of the two banks will be around \$2,600,000; and total resources will approximate \$3,000,000 on the basis of most recent statements. Officers of the First National will be Daniel J. Fry, Sr., president, S. B. Elliott, and E. F. Slade, vice presidents, C. W. Paulus, cashier, H. E. Eakin, assistant vice president and trust officer, Arthur B. Bates and W. A. Smither, assistant cashiers. The directorate will be as follows: D. J. Fry, Carl F. Gerlinger, W. M. Hamilton, R. M. Hofer, D. W. Jarman, T. A. Lively, John H. McNary, W. W. Moore, H. H. Olinger, J. C. Perry, C. E. Ross, E. F. Slade, B. L. Stevens, R. E. Lee Steiner, H. O. White.

Negotiations for the merger have been under way for some weeks past. News that the deal had been completed was circulated Friday, but publication was deferred pending official announcement, which came Saturday. Both banks operated as usual Saturday morning, closing at noon. Each institution then proceeded to balance its books for the day's business after which the transfer of physical assets from the Bank of Commerce building began. Operations were continued all night and will be continued today. Books, ledgers, files, securities, currency and as much of the mechanical equipment and furniture as may be required are being moved. Neats of safe deposit boxes are being transferred to the vaults of the First National.

Monday morning customers of the old Bank of Commerce may commence doing business at the First National, finding their accounts readily available.

(Concluded on Page 18, Column 4.)

KITZMILLER MAY NEVER PLAY AGAIN

EUGENE, Ore., Nov. 16.—(AP)—Johnny Kitzmiller, the "Flying Dutchman" of the Uatic center of Oregon football squad, whose ankle was broken in the gridiron clash between the Webfoot and Oregon State college here today, may never play football again, physicians said after examining X-ray photographs of the injured ankle tonight. The fracture is such that it will take several weeks to mend and the injury may be permanent, physicians declared. It was reported here that Kitzmiller will be taken to Portland tomorrow to be treated by bone specialists and later may be taken to New York for the same purpose. Kitzmiller is a junior.

SPECIAL DAY PLANNED

All-Valley Event Is Expected to Draw Crowds of Shoppers to Cooperate

Thursday of this week has been chosen as the date for Salem's first "All-Valley Day," at which time local merchants will offer unusual bargains in merchandise, in a coordinated effort to attract record crowds of shoppers from the city's entire trade territory. Although the plan has just been announced, the number of merchants who have already agreed to cooperate is large, and from the reception which has been given the proposal, it is certain that many more will participate before the lists are closed for this first "All-Valley day," so that out-of-town shoppers visiting the city on that day will find bargains in almost every conceivable line of merchandise awaiting their inspection. The plan was inaugurated jointly by The Statesman and the Capital Journal, whose part in the program will involve the reaching of the entire buying population of 75,000 people with the announcement of this extraordinary

Growing Up



Eight-year-old King Michael of Rumania strolling on the terrace of the Royal Castle at Sinia and wearing his first long pants. The boy King's face seems to indicate his complete happiness in his first suit of "longies."

JAPS PREPARE TO SEEK BIGGER NAVY

Obstacles to be Placed in Way of Coming Disarmament Session

By C. P. WILLIAMSON
Associated Press Staff Writer
WASHINGTON, Nov. 16.—(AP)—Ambassador Debutchi of Japan has laid before the Washington government the complete case which the Japanese delegation will put forward at the forthcoming naval conference in London in its demand for a ratio of 70 per cent for the Japanese navy. The Japanese decision to urge at 10-10-7 naval ratio for the auxiliary ships of the American, British and Japanese navies in place of the 5-5-3 ratio established for capital ships at the Washington conference, will be the principal matter for discussion when the Japanese delegation arrives in Washington next month. The delegation will spend three and a half days in Washington en route to the parley, conferring with Secretary Stimson and other members of the American delegation.

Purdue Record in Big Ten Is Still Perfect

LAFAYETTE, Ind., Nov. 16.—(AP)—A long forward pass that sailed through the air, straight as a shot, behind Iowa's goal line gave old Purdue, the only undefeated eleven in the western conference, a brilliant 7 to 0 victory over the Hawkeyes today. Purdue, undefeated in six games, four of them in conference competition, conquered the Hawkeyes with two amazing aerial shots after the powerful Iowa line had refused to yield to the smashes of the boiler makers great backfield trio—Pest Welch, Harneson and the battering ram, Yarnovich.

NATIONAL GRANGE PERFORMS RITUAL

SEATTLE, Nov. 16.—(AP)—While several thousand members of the National Grange, holding its 33rd convention here, were attending the ritualistic ceremony of the national convocation of the Grange at the civic auditorium today, leaders of the organization were closeted in committee-rooms going over the program for next week. Charles Gardner of Springfield, Mass., high priest of Demeter, took a leading part in the convocation ceremony. Visiting delegates will attend church services in a body tomorrow morning and a memorial service for those who have died during the past year will be held tomorrow evening.

Five Men Placed in Single Cells at Canon City

CANON CITY, Colo., Nov. 16.—(AP)—Five men tonight were in solitary confinement as suspects in digging a tunnel in the grounds of the Colorado state prison, work on which in a few more hours would have provided an easy avenue of escape. The prisoners obtained tools used in reconstruction work while repairs were being made to the prison which was the scene October 3 of a bloody mutiny in which 13 men were killed.

GOOD CLINGING TO LIFE WITH CHANGES SLIM

Fatigue Sets In; Friends Retain Small Hope for His Recovery

Relapse Follows Slight Improvement in Condition of Secretary

WASHINGTON, Nov. 16.—(AP)—A "marked fatigue" in the condition of James W. Good, secretary of war, was reported tonight by physicians at his bedside as he resisted the infection that gripped him after an emergency operation for appendicitis last Wednesday. The fatigue was regarded by the physicians as an unhelpful sign even though they said septic symptoms had not progressed. Earlier in the night a slight improvement had been noted in the secretary's condition when it was reported that his pulse, respiration, temperature and blood count were better. His physicians also had administered nourishment which was retained. This also was regarded as favorable.

The slight improvement, physicians said, might be only temporary and his close friends retained only a small hope that he could survive much longer. Physicians, however, said all hope was not lost, that his condition now depended upon his own resistance to the general blood poisoning that attacked him after the operation. President Hoover kept in close touch with the hospital in information as to the secretary's condition was relayed to him frequently. Specialist Called in For Consultation. The president, in addition to holding Mr. Good as one of his political associates has for him a high personal esteem. Dr. John M. Finney, the Johns Hopkins specialist, was called for a series of consultations last night and early this morning. He returned to Baltimore today with a statement that everything that could be done had been done. Mrs. Good continued to watch at her husband's bedside.

H. F. Woody Entertained in Hoosgow

H. F. Woody, auctioneer and furniture dealer whose business location is 271 North Commercial, spent Saturday night in a cell at the police station when he was picked up by a city traffic officer on a charge of driving an automobile while under the influence of intoxicating liquor. Officers arrested Woody during their night's drive against automobiles with illegal headlights. The machine which was being driven by the auctioneer came crashing down Commercial street with only one headlight burning. The car was stopped and it was then that officers discovered a state of affairs which led to his arrest. It was not necessary for officers to call an examining physician to determine the man's condition, police declared last night. Woody was arrested at about 9:20 Saturday evening and was still unconscious at midnight.

COMPTON ACCEPTS NEW BANKING JOB

Henry V. Compton, who has been cashier of the Salem Bank of Commerce for many years, will become associated with the Ladd and Bush Bank Monday as assistant cashier, it was announced Saturday by L. P. Aldrich, cashier of the latter institution. Mr. Compton will also be a member of the bank's finance committee. Mr. Aldrich said, "Mr. Compton's first banking experience was with the Boise City National Bank at Boise, Idaho. He came to Salem from Boise in 1912, and for the 17 years since that time he has been associated with the Salem Bank of Commerce and its predecessor, the Salem Bank and Trust company. His connection with this institution antedates that of S. B. Elliott, who was its vice president, by about one month, and in the 17 years that have intervened they have been associated together in its management and development. Mr. Compton is married and has two children."

Officer Cleared Of All Blame in Death of Crook

HERINGTON, Kas., Nov. 16.—(AP)—Sheriff Sidney C. Dederick today was completely exonerated by a coroner's jury inquiring into action of the officer who last night shot and killed Mrs. Louise Horton, 35 years old Kansas City liquor runner. After an inquest, late today, the jury found that the sheriff "shot lawfully in the discharge of his duty in defense of his life." Following the verdict County Attorney William J. Scott said that no charges would be filed against the officer.

Wins Suit



JUANITA HANSEN
WHITE PLAINS, N. Y., Nov. 16.—(AP)—A supreme court jury tonight awarded \$167,500 to Miss Juanita Hansen former motion picture actress as damages for burns she said she suffered in a shower bath in the Hotel Lincoln, New York.

RAIL COMPETITION DECLARED NEEDED

Agriculturists and Stockmen Give Testimony Before I. Q. C.

SAN FRANCISCO, Nov. 16.—(AP)—Competition between railroads in northern California is desired by farmers and stockmen, several agriculturists testified today in the interstate commerce commission hearing into the necessity of building a new Oregon California railroad. Benefits the farmers expected from the proposed line included economies in shipping livestock, reclamation of tillable acreage formerly under cultivation, increased consumption of products from California farms and consequent development of agriculture, commerce and industry. Sheepmen, cattlemen, dirt farmers and experts testified that lack of competition hampers production. Great savings could be realized by stockmen, several of them said, if the proposed line were built. It would enable them to ship cattle in and out of grazing areas now reached only by driving or by roundabout and expensive railroad service. The absence of competition retards development of the stock raising industry in other parts of the Pacific coast region. It was stated, by inability to move stock cheaply and quickly between certain grazing and fattening areas and markets. Stockmen of Oregon, Washington and California gave in detail the difficulties they have encountered in moving their stock over the existing lines, they gave statistics on their losses and estimated they they could save many thousands of dollars annually by making use of the proposed railroad.

Troops Used To Prepare For Voting

NOGALES, Sonora, Mexico, Nov. 16.—(AP)—Soldiers patrolled the streets here tonight ready to quell any disturbances which might arise in connection with the Mexican presidential election tomorrow at which Jose Vasconcelos, educator and anti-revolutionist, and Pascual Ortiz Rubio, diplomat, who is the favorite of the present regime, are candidates to succeed E. Portes Gil, provisional president. The military in all the cities of this state, commonly known as "the mother of revolutions," has taken command. Meanwhile on orders from federal immigration and customs officials, the border was closed at 5 p.m. and no traffic will be permitted to cross the line from the United States until after the polls have closed tomorrow.

Crew of Small Tug Leaves for Shore of Lake

BRIGHTON, Ont., Nov. 16.—(AP)—Nine men and a woman, comprising the crew of the tug John L. Russell, reached shore early today after spending several hours in small boats on Lake Ontario, after the sinking of the tug about eight miles off shore late last night between Brighton and Colborne.

NICE QUESTION OF FINANCE TO BE ARGUED OUT

Payment for Approaches to New Bridges Studied By City Council

Aldermen Seek Proper Fund To Which to Charge Expenditures

By RALPH CURTIS
Steps toward a final settlement of the question which has arisen in the city council periodically in recent months, as to whether certain expenditures more or less directly connected with bridge construction should come out of the bridge fund or some other fund, will probably be taken at Monday night's council meeting, following the reading of a lengthy letter on the subject signed by Mayor Lively. While most of the councilmen are willing to order an audit of the bridge fund if that is necessary—some are of the opinion that the city's books already contain sufficient data—the question has arisen as to what fund these expenditures can be charged to, if not the bridge fund. Street Fund Plan. Mere Blind Alley. The suggestion has been "the street fund." But strictly speaking, there isn't any street fund. There is the fund created by the two mill levy, but the charter explicitly provides that this is for maintenance and repair of streets and bridges—not for new construction.

Waggoner Won't Respond to Quiz

NEW YORK, Nov. 16.—(AP)—Charles D. Waggoner, former Telluride, Colo., banker, refused today to answer any questions when an attempt was made to take his deposition in a civil action brought by six New York banks to recover \$500,000 obtained from them in a swindle for which Waggoner was sentenced to 10 years in the federal penitentiary at Atlanta.

RUM QUESTION PUT UP TO HIGH COURT

WASHINGTON, Nov. 16.—(AP)—A possibility that the supreme court will be asked to decide whether buyers of liquor are subject to Volstead law penalties as well as sellers and transporters of liquor has developed as a result of legal studies in progress at the department of justice. If the question goes to the supreme court, it probably will be in the form of a petition for a writ of certiorari, which the government may ask as a sequel to a recent decision of the federal circuit court of appeals at Philadelphia interpreted to mean that liquor buyers have no culpability under the present Volstead statute.

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INSURANCE RATES CUT

Twenty Per Cent Reduction Effected in Year SALEM OWNERS AIDED
Reductions in fire insurance rates on Salem property have been made in the past year amounting to approximately 20 per cent, it was stated Saturday by Homer H. Smith, president of the Oregon State Fire Insurance Agents association, who over a period of many years has been active in efforts to bring about these reductions. However, the lower rates are not being enjoyed by Salem exclusively, as they are part of a general trend in Oregon and elsewhere. Salem has been for several years rated lower than its strict protection justified under a strict interpretation of the board of underwriters' rules. This came about because the underwriters hesitated to make an increase when a change in the method of rating was adopted several years ago, and they have continued because the city is proceeding with its announced program of improving the fire protection facilities.

First Airplane Suicide



An exit from life as spectacular as it was certain was chosen by Ruth Rockwell, at Valley Street, L. I., when with a prayer on her lips, she jumped from a plane 3,000 feet in the air. Miss Rockwell is a high school graduate who lived with her brother at Crestwood, N. J.

Albany Man May Die Of Car Crash

Walter Scott Taken to Salem General Hospital After Severe Accident Involving Pickwick Stage on Highway Near Hubbard

INJURED when his automobile was practically demolished in a collision with a Pickwick motor stage at Hubbard, Walter Scott of Albany was in an extremely critical condition at the Salem general hospital Saturday night. He suffered a fracture of the skull. John Gerry and George Hager, who were in the automobile with Scott, are also patients at the hospital here, but their injuries were confined to painful bruises and lacerations.

RIVERS, HARBORS BILL INTRODUCED

WASHINGTON, Nov. 16.—(AP)—An omnibus rivers and harbors improvement bill calling for an outlay of approximately \$125,000,000 and affecting every region of the country will be introduced early in December by Chairman Dempsey of the house rivers and harbors committee. The measure will include all the projects for river and harbor improvement approved by the army engineers since 1927, when the last rivers and harbors bill was passed. Before the measure is introduced, Dempsey said today, he will obtain from President Hoover his program for the extension of the inland waterway development which calls for improved channels on the Mississippi river and its tributaries.

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STEAMER DEPERE STILL KEPT AFLOAT

KETCHIKAN, Alaska, Nov. 16.—(AP)—Heroic efforts on the part of members of the engine room crew of the steamer Deperé, which struck on a rock at the southern tip of Kuiu island, Alaska, at 8 o'clock Pacific time last night, saved the vessel from sinking in deep water, radio operator James Delaney reported tonight. After the ship struck, Delaney said, the engine room men remained at their posts until the oil smudged water had risen to their armpits. In the meantime Captain John Newland was able to bring his ship into Port McArthur harbor where she was beached in shallow water. The majority of the crew left the ship.

OREGON TRIMS OREGON STATE TEAM 16 TO 0

Corvallis Aggregation Gets More Yardage but Lacks Power to Score

Johnny Kitzmiller Removed From Orange Crew With Fractured Ankle

By A. E. HARRIS
Associated Press Staff Writer
HAYWARD FIELD, Eugene, Nov. 16.—(AP)—Oregon State college's gridmen faltered in their chances to score today in the annual state football classic with the University of Oregon and when the final gun sounded Oregon had cashed in on two breaks and an earned drive to take the civil war 16 to 0. Coach John J. McEwan's green-shirted Webfeet made a field goal in the first quarter, a touchdown in the second and the last touchdown in the last minute of play of the game to the cheers of 17,000 fans who attended the annual Oregon homecoming. This was Oregon's first win on their home field since 1919 and by the win they broke what had become known as the "Hayward field jinx."

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DAWES SPEAKS AT JOURNALISTS MEET

LONDON, Nov. 16.—(AP)—United States Ambassador Charles G. Dawes tonight said that the great naval powers of the world will meet here in January in the spirit of the Kellogg pact for renunciation of war. He was addressing the annual dinner of the British Institute of Journalists, only a few hours after he had returned to his London post from a visit to America. Disarmament by evolution was the theme of the address by General Dawes. "The current negotiations on naval disarmament between Great Britain and the United States have thus far well exemplified the greater effectiveness and expedition of the new method as compared with the old," he said. "These negotiations have been preliminary and their result is subject to such modifications as may result from the necessities of other naval powers. These powers will from now on give these results their full examination and consideration, not only in preliminary informal conferences among themselves but as well with the United States and Great Britain."

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