Morgan States British Lapse From Gold Hopeful Event

Bankers Assert Climax of Crisis Past and Progress now Possible

By CLAUDE A. JAGGER Associated Press Financial Writer (Copyright, 1931, by Associated Press)

NEW YORK, Sept. 21 .- (AP)

-The tumble of the British pound sterling left the dollar the world's principal stable currency today, and Wall Street, under the leadership of its most powerful and courageous bankers, rallied to acquit litself of its new responsibilities. Officials of the New York Stock Exchange opened the market in the face of strong opposition from many quarters both at home and abroad. The well sustained market for securities gave courage to a world suffering from paralysis of much of its important fi-

nancial machinery. Of other important world markets, only the Paris Bourse opened. The Bourse opened after trans-Atlantic telephone conversations between New York and Paris bankers, in which New York bankers urged that this action be

Stocks Stage Rally Stocks in New York were erratic, but made a vigorous rally during the middle of the day, numerous prominent issues selling about \$1 to \$9 a share above Saturday's final levels. The list sank | might object, back in the late trading, and final prices found a sprinkling of among numerous losses ranging from a few cents to \$5 in prom-

inent issues. The bond market was hardest hit, recording numerous losses of \$10 to \$110 per bond of \$1000 sues. The bond trading was the most active in more than two years, but the turnover in stock was only 3,400,000 shares, which has been exceeded as recently as

last June. The Paris market was weaker than New York, showing general declines of 10 per cent. It was that such a school would work necesary to suspend trading in London issues listed in that mar- service system.

ket. Ban Short Seiling The most drastic action taken by the New York Stock Exchange officials was the announcement before the opening of a virtual ban on short selling. How important a factor this may have been in the support accorded to stocks was a matter of considerable difference of opinion. One of the most prominent of Wall Street leaders said no effort was made to drive shorts to cover their commitments, but that a retreat of the bears "was the proper technical reaction to the situation, which had certainly been reatly discount-

Several bankers regarded the British lapse from the gold standard as a constructive measure, and the statement of J. P. Moran to the Associated Press in London that it was "a hopeful and not a discouraging event" was widely quoted.

ed this crisis was probablly the last highly disturbing development in the current depression, and now real progress toward rehabilitation can be made.

Close Visitors' Gallery The stock exchange closed the visitors' gallery, a measure that has been taken several times in in Wall Street were completely

lacking. Rumors of banking support in the market were widely heard in the financial district, but important bankers denied emphatically that any banking pool had been

WASHINGTON, Sept. 21. — (AP)—A calm watchfulness for the results which will attend Great Britain's temporary suspension of the gold standard is apparent in Washington.

No alarm is felt as to the effect on the United States. Expressions in treasury quarters today were to the contrary. It was pointed out England has been on a gold last night, in the wake of rains basis for only six of the last 17 that broke an abnormal heat wave

Secretary Mellon and Underseclives were lost in wind and elecretary Mills, of the treasury, both tric storms, which previously were were out of the city.

While not deprecating the situation in the British Isles that resulted in the drastic action, the ephone lines near Janesville, Wis., feeling among government offi- at first indicated eight persons cials and members of congress were killed by a tornado which generally was that it would re-covered an area of approximately sult in a stimulation of business 50 square miles, but officers later

The raising of the rediscount Two were killed in southeastern rate from 4 1/2 to 6 per cent was Kansas by a heavy wind-storm.

States is converned, they noted approximately \$10,000 worth of school football squad were in(Turn to page 2, col. 7) damage in the vicinity of Water-

### Brands New Route 'Horseback Survey'

Highway Commissioner Spaulding Declares Wolf Creek Route Never Viewed by Klein Or Clark; Reiterates Stand for 2 Roads

SALEM, Ore., Sept. 21-(AP)-Charles K. Spaulding. Salem member of the State Highway commission, in a statement issued here today voiced severe criticism of the "horseback survey" on which he alleged the highway engineering department based its recommendations for construction of the Wolf Creek road from Portland to the sea.

Revealing that he feels "the time has now arrived when the public should receive a few plain facts concerning this highway controversy," Spaulding continues:

"The report of the highway

engineering department advo-

cates the construction of the Wil-

son river road as a commercial

highway and, as between the so-

called Wolf Creek route and the

Scappose-Vernonia route, the

though the state proposes to ex-

pend millions of dollars in the

to the sea I have been informed

that neither Roy A. Klein, state

highway engineer, nor W. D.

been able to gather the engineer-

ing reports favoring the Wolf

Creek route was prepared by H.

N. Hackett, a subordinate engi-

Oregon proposes to construct one

the report of a mere subordi-

Spaulding said he was in-

formed the only help Hackett re-

(Turn to page 2, col. 4)

operating to Make Event

**Big Success** 

A few more days to wait until

Salem merchants display to the

citizens of the capitol city just

what is correct style for fall.

Especially elaborate plans are be-

ing made for the windows which

will be unveiled Thursday even-

nounced as usual with the shrill

Treasure tickets will be dis-

tributed and prizes will be of-

corresponding ticket to those on

And there will be a program

which is being developed in a

twice in the same block at dif-

there will be four blocks which

will be given over to the fall

John Graber, manager of the

The Kiltle band will give a

In addition to these attrac-

(Turn to page 2, col. 7)

Three men were killed by light-

JANESVILLE, Wis., Sept. 21. -(AP)—Sheriff J. S. Fessenden

at 11:30 p. m. tonight said sev-

eral deputies returning from a re-

ported storm area in Rock county

persons dead. Previous unconfirm-

ed reports said that eight persons

were killed in a severe storm of

OSWEGO, Kas., Sept. 21

AP)-Two persons were killed

and several injured by a wind-

storm which caused severe prop-

erty damage in southeastern

cyclonic intensity.

were unable to find traces of any

blast of the city hall siren.

display in the windows.

opening crowds.

been over either route.

Clark, division engineer, have

"From information that I have

former route is advocated.

Council Won't Object. Assures men; School Plan is Offered

The question of civil service for Salem's firemen came up before the city council Monday night and the council voted its assurance to the members of the fire department that the city government would not object if the firemen, on their own time and not during working hours, should initiate a charter amendment providing for a civil service system of employing and promoting firemen.

The vote was taken on motion of Alderman Kowitz, who stated the firemen were considering such a move, but feared the council which now is empowered to employ or discharge firemen,

Some objection was voiced by Alderman Hughes, who said he net gains of \$1 to \$5 a share, feared under a civil service the control over his men. The matter came up in con-

nection with plans for a fireof the Salem firemen through the par value in foreign issues, and "Fire College" conducted by the less severe declines in domestic is- Portland department. Captain "Fire College" conducted by the Hicks of the Portland department was present to explain the course and to assure the aldermen that it would be offered to Salem at no cost if the men went ing at 7:30 o'clock, the hour anto Portland to take it, or at bare cost if instructors were brought here. Captain Hicks mentioned better in connection with a civil fered for these—if you hold a

## FAVORS RAILROAD

PORTLAND, Sept. 21-(AP) -Federal Judge Fee today - Salem Municipal band, is quoted sued a preliminary injunction re- as assuring the appearance of straining Lane county officials the band for special music. Both and others from including South- the men's and women's glee club cinity of Oakridge.

The injunction was directed the subject of "What Willamette railroad counsel. against C. P. Barnard, county means to Salem" and the Armjudge; Clinton Hurd and O. E. strong twins will appear in per-Crowe. county commissioners; and W. B. Dillard, county clerk, all of Lane county; and Henry demonstration and serenade the per cent rate increase, argued the Cook, H. M. Harkins, John Kim-Some prominent bankers assert- ball, J. H. Paddock and A. Wood. The personnel of the band is road rates high enough to earn such an injunction should not be John Charge, Arthur Hutcheon, ment. He contended the commisissued was signed last week by Andy Henderson, and James Mc- sion had no alternative but to Judge Fee and made returnable Gilchrist. today. None of the defendants

appeared. the organization of the water Pendleton roundup and which is district on the grounds its prop- to appear in the state fair rodeo. the past, but signs of excitement erty, located within the proposed Those from this group appearing of the serious economic situation district, had three times the on the Ad club fall opening provalue of all other property in- gram will be Frank Studnicka, cluded. Under the law a prop- world champion rider of bucking erly organized district can bor- horses; Lloyd Saunders, allrow money and issue bonds around cowboy champlon of the which become a lien upon the world; Rose Smith, champion

(By the Associated Press)

Tornadoes swept through scat-

Late reports indicated that five

credited with a toll of 13.

Tornadoes, Rain Break

tered sections of the middle west ning near Clinton, Okla.

Heat Wave; Five Killed

Taxing the Rich Will not Solve Problem of Deficit; **Economy Needed** 

President Accepts Offer of Help to Provide Employment During Winter

DETROIT, Sept. 21-(AP)-President Hoover told the American Legion today that it must oppose for the present all increased governmental expenditures, including those arising from Veterans' legislation.

At the opening session of the national Legion convention in construction of this short route Olympic arena the president was greeted by roars of applause for three minutes. The crowds in the arena sweltered and perspiration poured down the president's face as he spoke.

Without mentioning the bonus by name, Mr. Hoover drew applause from the Legionnaires when he called on them for "determined opposition" to additionneer. Think of it! The state of al demands on the nation "until we have won this war against world depression.'

its most expensive highways "I am not speaking alone," said, "of Veterans' legislation which has been urged for action at this convention, but I am speaking equally of demands for every other project proposed in the country which would require tences meted out to them by Judge increased federal expenditures."

Group Asks For Beer As Mr. Hoover walked from the platform after finishing his 15plause:

"We want Long List of Merchants Co- beer.'

> The chanters were the regulation Legion overseas caps. Describing the depression as an outgrowth of the world war "in which your services brought bloodshed to an end," Mr. Hoover declared that "the American people are digging themselves out with industry and courage."

'We have the self-containment the resources, the manhood and the intelligence, and by united action we will lead the world in recovery," he said. Big Deficit Faced

Pointing out that the treasury faced a "large deficit," Mr. Hoover warned that taxing the rich would not be the sole solution. (Turn to page 2, col. 3) new fashion this year. The same program will be given eight times; that is it will be given

## ferent places in the block and

WASHINGTON, Sept. 21-(AP) -Freight rates adequate for the railroads to maintain their lines posed water district in the vi- sing; Prof. W. C. Jones will were demanded of the interstate cattle for testing. speak through a loud speaker on commerce commission today by

Clyde Brown of New York, attorney for the New York Central and head of the legal staff presenting the railroads' side of the 15 public in its best Scotch manner. nation's shippers owed the rail-An order to show cause why Mickie Kilster, Walter Irmus, a "fair return" on their investgrant the rates that would give the carriers the legal fair return tions there will be the talent on their investments. He said, The Southern Pacific opposed which won distinction in the however, the roads were not asking what they considered the full fair retturn at this time because

of the country. While the arguments here were proceeding, rails led one of the inn. best rallies in weeks on the New York stock markt. These advances were attributed to vague rumors that the interstate commerce commission would grant a freight rate

### **BOOK PEDDLERS TO** PAY LICENSE FEES

Licensing and regulation of book and magazine peddlers was voted by city council when it passed an ordinance Monday night, one of a series outlined by a special committee on addi-tional city revenue, headed by Alderman Watson Townsend, This ordinance provides a license of \$1 for one day and rang-

ing upward to \$15 for a year and in addition requires that prospective book and magazine salesmen furnish suitable references as to their integrity. Several other ordinances along the same line are coming up

### -(AP)-China formally called on the League of Nations today to take action in the Manchurian affair in order to "safeguard the peace of the nations."

League Acts

When China

Responding immediately, the League, through its secretary general, convoked a special session of the council for tomorrow morning to deal with the Chinese

The Chinese note of appeal, de-livered by Alfred Sze, Chinese minister to London, on behalf of the Nanking government, de-clared a more serious situation than at first believed now exists at Mukden and other Manchurian centers taken over by the

John Graber Victim of Transients who are Quickly Caught

Less than 24 hours after they ssaulted and robbed John Graber, proprietor of the Cold Springs camp ground, located four miles south of Salem on the Pacific highway, Sunday evening, the three robbers, Roy Clayborn, Dale Selleck and Ted Olson, transients, were taken to the state penitentiary yesterday afternoon, to start serving three-year sen-L. H. McMahan, when they pleaded guilty to the offense. Their loot consisted of \$28.

Two women, giving their names minute address, a chant from a as Virginia Clayborn and Mrs. health, the motorship wirelessed nearby group rose above the ap- Lester Smith, each carrying a but Dacosta Viega was suffering child, one three and the other two from an injured leg. The president smiled as he with Rey Clayborn, were brought which they were sighted at 1:40 for irrigation, power and navigaglanced toward the jovial crowd. to Salem and cited to appear in juvenile court at 2 o'clock today the steamer Pennland, about \$0 reasonable lines. to confer concerning the children. (Turn to page 2, col. 6)

## TROOPS ARE CALLED

-(AP) -Orders were issued tonight by Adjutant Governor W. H. Bailey for the mobilization of between 1,500 and 2,000 troops, who will be sent to Cedar county where farmers today resisted veterinarians' attempts to test cattle for tuberculosis.

The adjutant governor's action came after a sheriff's force of 165 men which today was prevented by a band of more than 200 aroused farmers from testing cattle at the farm of Jacob Lenker, near Tipton, Ia.

The farmers threw mud on the deputies' automobiles and smashed the windows of two cars before the force returned to Tipton without attempting to round up

LONE PINE, Cal., Sept. 21. sons arrived here late today on their second honeymoon.

Fresh from a spectacular second marriage ceremony, performed a platform a thousand feet above the muddy torrent of the Colorado river, Mrs. Minnie "Ma" Kennedy and her husband were given the bridal suite at the local

Mrs. Hudson announced they would start tomorrow morning for Death valley and the famous "mystery castle" as guests of Walter Scott, known as "Death Valley

### Jack Poor Sport Estelle Ignores His Reno Divorce

CHICAGO, Sept. 21-(AP)-Estelle Taylor accused Jack Years recognize the divorce he obtained from her today in Reno.

"I'm sorry Jack should do anything so 'unsportsmanlike,' said the former heavyweight champion's actress wife, who is appearing at a theater here.

"Jack may feel very free at this. moment, but until the California courts, where we both maintain residence, declare me free, I shall still declare myself Mrs. Jack Dempsey." LOS ANGELES, Sept. 21 .-

rate from 4½ to 6 per cent was releved as a step to a siteract foreign business and money and was considered by some as a move to in-flate British money.

Gevernment experts suggested that abandonment of the gold that the gold that abandonment of the gold that the gold that th

## FOREIGN FLIERS Water Bond Election Cites Japan Ale

Float 148 Hours in Atlantic Before Motorship Picks Them up

Believed Plane Struck Blind Spot and Flew in Circles Till gas Gone

HALIFAX, N. S., Sept. 21. — (AP) — Picked up after floating 148 hours on the wreckage of their Lisbon to New York plane, three aboard the small Norwegian motorship Belmoira.

The rescue of the daring pair

of German airmen and a Portuguese sportsman who had been given up for dead, was reported to the outside world by wireless just one week after they were due in New York.

First came a terse message from the Belmoira saying the wreckage of a plane had been sighted about eight miles off Cape Pine, a treacherous section of the Newfoundland coast. Later advices told of the find-

ing of Willy Rody and Christian Johanssen, the German fliers, and heir Portuguese companion, Fernando Costa Viega. Still later Johanssen messaged the Junkers airplane works in Dessau, Germany, of the abandon-

ment of the plane and subsequent Hours after reporting the rescue, the Belmoira gave a few scant details.

Fliers in Good Health The fliers all were in good years old, who were arrested in . The airmen were picked up not

> miles off Cape Race, Newfound-From this meager information tion of the project would be re-in-it was believed here the trio had troduced at the next session of struck aviation's "blind spot" where the metallic deposits of Bell island are believed to influence the reclamation service and was re-instruments of trans-Atlantic airinstruments of trans-Atlantic airmen. This, it was said, probably caused them to fly in circles until

their fuel was exhausted. DES MOINES, Iowa, Sept. 21 tember 14, from Juncal do Sol (Turn to page 2, col. 3)

# ARE KILLED

TOKYO, Sept. 21-(AP)-Japan was shaken today by another severe earthquake which caused 14 deaths and injuries to 60 in Saltama and Gumma prefectures helped by power development to Saltama prefecture 150

buildings collapsed, including the famous temple of Hikama in Ku-

telephone lines were put out of ment. commission, cutting off communmoto and Kakodate. Thirty-two Police Seeking other trunk lines gave way in the metropolitan area. Seismologists said the quake

was the most severe this year. AP) — The Guy Edward Hud- The shocks were felt over a wide area through the Kanto and Kansal districts, although the damage was concentrated. Several tall chimneys toppled.

Roads were cracked. Here and in Yokohama thousands were into the streets in near panic. munications, no estimates of property damage were available

Shinichi Munitomi, seismolorist at the central observatory, redicted further shocks within the next few days.

## Not Called; Absent Aldermen Defeat It

Sidewalk Holes Pointed Out as Danger Points

Numerous holes and other defects in Salem's downtown side-walks were pointed out in a report made to the city council Monday night by E. C. Bushnell, building inspector, who had been instructed to make a survey of foreign fliers were safe today this situation. The matter was referred back to Bushnell and City Attorney Trindle to work out a means of correcting the situa-

> Holes caused by the breaking of skylights in the sidewalks, lack of or defects in gas and electricity shutoff covers and defects in steel door plates were specified in a number of locations, in the re-

Montana Representative Says Income Should Go to Government

PORTLAND, Ore., Sept. 21. — AP)—Proponents of the Umatilla rapids project in the Columbia river told members of the congressional committee on irrigation at an informal hearing here today p. m. (E. S. T.) last Monday by tion should follow practical and

Leaders of the Umatilla Rapids association said a hill for construc-tion of the project would be re-incongress. The bill previously re-ceived strong support from the Speakers urged that congress

should not wait for the development of a super-project but should entertain some more modest proposal which would unlock enough of the great resources of the river for present day needs and uses. Among members of the committee hints were passed that the army engineers' report on the project, while not casting reflections on the Umatilla rapids project, proposed a development at Celilo falls that would "drown out" the Umatilla ropids with a huge lake which would be created behind a

great dam. Scott Leavitt, representative from Montana, declared lands under irrigation projects should be gain the benefits of the water but not to build up a profitable power enterprise from which they would profit. After a project is paid for, he said, the income from the pow-Landslides interrupted rail er should revert to the reclamaravel and 17 trunk telegraph and tion fund for use in other develop-

### Whereabouts of Katherine Fox

PORTLAND, Sept. 21.—(AP)— Police today were asked to help locate Katherine Fex, 15, who has been missing from her home since September 14. Her parents, Mr. and Mrs. G. B. Fox, told police frightened by the shocks, rushing they believed their daughter had been seized by members of a gang Due to interruption of com- and was being held against her will.

The girl was last seen a week ago when she left school, presumably to return to her home. Today a torn paper bag containing some of the girl's school effects was found in the yard at the Fox home.

### Enrollment in Schools Shows Large Increase

FIRST DAY FIGURES Total H. lie schools yesterday, totalled 4,-443, 401 above the 1930 figure

and 308 higher than the previous first-day record of 4,135, set in 1928. An error was discovered in the count at the Leslie junior high school afternoon, with the result that the figure was lowered by 50.

The increase came in the sen-ior high, which yesterday registered 1,157 students, 239 more

Richmond 211, Lincoln 207, and Washington 188. Yesterday's sessions lasted only until noon. Today the high school students will attend five afternoon to purchase their books. The grade schools will continue into the afternoon as

usual The increase in the high school, according to Superintendent George Hug, is caused chiefly by the facts that many students are this year continuing their education instead of dropning out after the continuing when the matter comes before the ping out after the sophomore convention Wednesday, year and that more students are entering from outside the school Alex G. Barry, Oregon department

Vote 7 to 3 in Favor Of Popular Ballot; Dancy Switches

Majority is Lacking by Margin of one: 4 Not Present

That old scrimmage-battered fullback Municipal Water smashed the line Monday night at the city council meeting and got clear across the goal, but was called back because there were only seven of his team mates on the line of scrimmage when there should have been eight. Consequently there will be no vote in Salem on \$2,500,000 worth of water bonds

November 3. The council had passed upanimously an ordinance calling the special election and another providing for a vote on another char-ter amendment, permitting use of fire department miliage funds to be expended for operation of the department, and it appeared that there was a clear field ahead for

Municipal Water. Then the bond issue charter mendment ordinance was amended in committee of the whole, the changes omitting a requirement that the council start proceedings under the amendment as soon as it should be adopted by the voters. Thus it came up for final

adoption by the council. Four Favor it Against Persons Feelings
Discussion prior to the vealed that Aldermen Dancy, Averett, Townsend and Patton planned to vote for submitting the amendment, but all four were personally opposed to the idea of bringing in Santiam river water at such a cost, holding that it would not be really "mountain.

prevement over Willamette river water. Previously H. L. Clark, a private citizen, had talked at length on the merits of a well water system. When the vote was taken, only Aldermen Hendricks and Needham voted "no." Dancy along (Turn to page 2, col. 3)

water" and not sufficient im-

## CHINA'S HORROR

NANKING, Sept. 21-(AP)-China's flood horror was spread today before the eyes of Colonel and Mrs. Charles A. Lindbergh as they flew their black moneplane over northern Klangsu Province on the first of a series of survey flights they volunteered to make to aid the flood relief

commission. Broken cities, obliterated farms, ruined villages appeared eneath their plane in such numbers that Colonel Lindbergh afterward commented it was "hard to say" where the disaster had struck its fiercest blow.

In four hours 40 minutes of flying the Lindberghs obtained data which a representative of the relief commission said was of "the utmost value." offer to make the survey flights had been accepted promptly by President Chiang Kat-Shek and Finance Minister T. V. Soong. Anne Lindbergh did the piloting and the colonel occupied himself taking pictures and making exhaustive annotations on a map of the area. They covered that part of the province lying east of the Grand Canal-one of the world's famous waterways. Tomorrow they plan to fly over the section west of the canal.

No where, the Lindberghs said. did they see any indication that the flood waters, which have ravaged the province more than a month, might be subsiding.

### Oregon Invites Legion For '32; Only Formal Bid

DETROIT, Sept. 21.—(AP)— Oregon presented its invitation to the American Legion to meet in Portland in 1932 to the conven

### Word received over crippled teldenied any lives were lost.

and drought.