

# The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"  
From First Statesman, March 28, 1851

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## First Mutual Savings Bank

A bank charter was issued Monday by the state banking department. In these days of bank consolidations such an event is quite out of the ordinary; and this one in particular is most unusual. For it is the first charter for establishing a mutual savings bank in Oregon. The law permitting such charters has been in existence many years; but no one attempted to operate under it. The new charter goes to Portland interests who have been identified with mortgage loan business.

It is hard to say why mutual savings banks have not flourished in the west. In the east they are quite common. In fact for the country as a whole mutual savings banks have far greater resources than stock company savings banks which do not include savings departments of commercial banks. For the year ending June 30, 1930 reports showed 606 mutual savings banks in this country with total resources of \$10,295,308,000. Stock company savings banks had total resources of 1,521,109,000. The difference between stock company and mutual savings banks is that stock companies subscribe to the capital stock and share the profits to the stockholders after paying the guaranteed interest to depositors. In mutual savings banks all the profits are shared by the depositors (as well as any losses).

Massachusetts and New York have the greatest number of mutual savings banks. The former reported in 1930 196 such institutions in which 2,954,855 depositors had deposited \$2,093,098,000 in savings. New York had 151 such banks with total deposits of \$4,566,165,000. The average rate of interest returned to depositors in Massachusetts was 4.74% and in New York 4.70%. The state of Washington has one large mutual savings bank, the Washington Mutual, in Seattle with a long and enviable record of growth and stability. There are four of these banks in Washington with 93,736 depositors and a total of \$55,060,000 deposited. Their rate of return was 4%. California has one mutual savings bank but it has \$77,558,000 on deposit and its interest return in 1930 was 4.25%.

Events of recent years have brought into relief the value of savings institutions operated conservatively, which give an opportunity for the masses of the people to accumulate their savings with assurance of safety. Savings banks, savings departments of commercial banks, savings and loan associations help supply this need. Mutual savings banks, under the strict laws governing their investment, are usually able to pay a little higher return than commercial bank savings departments; and as their sole business is the encouragement of thrift they can do a great deal to stimulate savings. The more of these institutions operating under strict government supervision, that we have in the state the better off the state is. Four and a fraction per cent is proving better than high coupon rate and loss of principal on foreign bonds and the miscellaneous lot of junk which has been peddled in the form of investment in late years.

So the founding of the first mutual savings bank in the state is of interest and its progress will be watched during the coming years.

## Stalemate

THE war between Japan and China has shifted from Manchuria to Geneva and is now a trial of strength between Japan and the league of nations. The league voted 13 to 1 to order Japan to bring home her guns; but Japan says the vote doesn't count because it wasn't unanimous, Japan's delegate casting the negative vote.

As the situation appears the league can't do anything to Japan, because no nation wants to do the police work for Geneva; and Japan is too wise to go ahead and carry on war in Manchuria. So she just holds her positions there and marks time.

Japan has some justification in insisting on some guarantees for the safety of her nationals. China has been slow so long that lives of foreigners are not safe or their property secure. China can't just lie down and trust to the league. She ought to pull herself together, stop civil war and preserve peace within her borders. Japan is doing about what we do in Mexico, Nicaragua and Haiti.

A sixteen year old boy in Jackson county fell from a horse and was killed. That is a news item quite uncommon nowadays. We read frequently of auto accidents and deaths caused when a tractor rears on its hind legs and topples over. But we seldom read of accidents in runways or falls from horses. Yet how common that news used to be in pre-motor days.

The governors' meeting in Portland say the world depression is due to the demoralization of silver. How, how, how haven't we been told time and again by the Salem C-J that it is all due to the protective tariff. No mark that out, all due to prohibition! The governors can't fool us.

Now the Stanford co-eds can root at the football games. If the cardinals have been able to win all these championships without female rooting what will they accomplish now? Just so the Dullahs do not shear the Palo Alto Samsons of their locks.

The Portland Journal reporting the demonstration of communists at the governors' conference says "they demanded work with banners." Well, that's all the work they want and they must get enough of banner waving to suit them.

The political center of gravity has shifted to North Portland, where the candidates are busy shaking hands with the prize jerseys and renewing their acquaintanceship with the bulls.

Pres. Hoover says the Filipinos will have to wait awhile for independence. That opens the way for some fellow to wrap an apron about his loins and start a cult for freedom.

Al Smith delivered a salvo of shots at Gov. Roosevelt's reforestation bill. Which is one way, perhaps, of saying that Al is looking ahead to 1932 himself.

The auto makers are racking their brains to express eugenic the motor cars for 1932 in hopes of rendering antique all the 1931 and earlier gas wagons.

The members of junior leagues voted anti-prohibition by 93%. Not being congressmen they can vote as they drink.

What are the betting odds Mrs. Judd goes to on her murder charge?

## The Safety Valve

Letters from Statesman Readers

### FACTIOUSNESS CHARGED

To the Editor: We have heard a great deal about that potent gentleman, Julius L. Meier. However, he has attempted to force just a bit too much on the credulity of the people. Many of us have become disgusted with the factiousness of a much publicized administration.

We all agree that the governor has been exceedingly active and busy. Any governor who spends as much time as Mr. Meier in removing men from office (by any means) and ushering into power his proteges must necessarily be busy. It has been these acts, characterized by prejudice and vindictiveness, that have been very trying on the patience of the public.

It is quite apparent that the governor has managed the affairs of a department store for so long that he feels that he can act much in the same manner in his present capacity. He has fared sumptuously at the expense of the people and consequently has no feeling for them. His actions have demonstrated this beyond all doubt, if there ever was doubt. We have not forgotten his ruthlessness and imperiousness in conducting the hearing of the prison superintendent. We were astounded at the factious charges the governor brought against him, which were proved utterly unfounded. We were shocked at his temerity in casting reflection on the character of T. B. Kay, a man who had served the public for many years and whose integrity had never been questioned. The only excuse that can be given for the sanctification of stupidity in conducting and ordering other hearings is prejudice.

The economy of the administration has been in harmony with all other actions. In spite of the tight economy, expenses were found to be considerably over the budget provided. The governor therefore proceeded to slash \$500,000 off education. A master stroke indeed. Then to prove his sincerity in the economy he further economy he brought Mr. Blinzig in as secretary of the board of control and raised his salary 66%. To further prove that the change was needed, Mr. Blinzig has followed the policies of his predecessor.

Some of us have had quite enough of Meier, Holman and Co. If the governor has as yet displayed any master strokes of genius he has been highly successful in keeping them hidden. The present administration has been characterized by petty spite and vindictiveness since the hour of its inauguration. Unless he cuts short his acts of factiousness and sham he is apt to be sent back in ignominy to his department store. The public still make this administration the object of the approbrium it deserves.  
LYLE THOMAS.

## New Views

"Do you favor additional legislation on chain stores?" This question was asked yesterday by Statesman reporters.

Ross Goodman, independent grocer: "I don't think the chain stores should be taxed any more than anyone else."

William English, strawberry grower: "Yes, I do."

Clifford Price, salesman: "No, I don't. But I suppose there will be attempts."

O. W. Hewitt, business man: "Yes, I would favor such a tax. I don't believe in monopolies, and I do believe in protecting the smaller merchant."

Mrs. Tom Wood, home maker: "I really would not like to express an opinion on that question, for I know nothing about it."

## HERE'S HOW

By EDSON

### FRIENDSHIP!

HEARING OF HARD TIMES IN THE U. S., NAIVES OF BATONGGA, AFRICA, COLLECTED A RELIEF FUND OF \$2,71 AND SENT IT TO THE PRESBYTERIAN BOARD OF NEW YORK



U. S. TREASURY PLANS TO ISSUE MILLION-DOLLAR BANKNOTES. AT PRESENT, HIGHEST DENOMINATION IS \$10,000

COCKTAIL CIGARETTES ARE THE RAGE IN PARIS TWO DIFFERENT BRANDS ARE SMOKED AT ONCE!

## BITS for BREAKFAST

By R. J. HENDRICKS

Statesman clipping of '78:

J. D. McCully, of the Patton book store, son of a pioneer family and interested in pioneer lore, has for 53 years kept in his place a clipping from The Statesman. On one side of the card to which is pasted the clipping is the following news item:

"Fire in the Court House: About four o'clock yesterday (Tuesday) afternoon, Watchman McGee, at the court house, proceeded as usual to charge the gas machine with gasoline. The machine being in a dark room in the basement, he took a lantern which he placed on a box some four feet distant. On opening a can, the gas escaped which instantly filled the room and took fire from the lantern, instantly exploding the can and filling the whole room with fire. Mr. McGee was knocked down by the stroke, but escaped through a door near by, and as the principal flame settled about the..." (The rest of the clipping on that side was not preserved.)

The other side is a two-inch single-column advertisement, illustrated by two rooster cuts, and the reading matter follows: "Fine Poultry. I have some very fine thoroughbred Light and Dark Leghorn Chickens, and am prepared to supply eggs of either kind on short notice. Also Turkey Eggs in limited quantity. For particulars and prices apply to or address FRANK W. WATERS, Salem, Oregon, January 21, 1878.—tt."

The clipping about the fire in the court house basement, if it were complete, would probably say that it was soon extinguished, and that the damage was under \$1000. That was some time early for a gasoline lighting system, and the dangers connecting with the handling of gasoline were not as well known as now. It is rather strange, too, that the county was not then using coal gas, for the city was first lighted by gas from the plant of the Salem Gas company Sept. 17, 1870; the work of laying the mains having been begun in May of that year. Perhaps the county commissioners thought the rates for coal gas were too high.

The red brick jail that stood on the northwest corner of the court

house block, at High and Court streets, may have then been torn down, and the cells for the county jail installed in the new (present) court house building, construction of which began in 1873. So there may have been prisoners there at the time of the fire, and in that case the complete news article likely said something about how they acted.

But perhaps the change had not yet been made, for A. M. Clough, pioneer undertaker, who came in 1878, remembers seeing the old jail, though it may not have been in use two years later. Dr. Mark Skiff thinks the brick jail was torn down before January, 1878.

Mr. Clough does not remember the fire in the basement of the court house, so it could not have been a great one. But he did not see the greatest fire in Salem up to that time, the night of May 2, 1876, though he was sleeping within a block of it.

The fire that he missed was the disastrous one that completely destroyed the plant of the Williamette Woolen Manufacturing company, the first factory of the kind on this coast. It was built in 1855 and later doubled in size; became very prosperous, employed a large force, and furnished a market for a considerable part of the valley wool. Its destruction was a severe blow to the town of that time. It stood on the site of the first building erected in what became Seaside, the main street and saw mill, and one room of the former warehouse now occupies that ground, fronting on Broadway.

But Mr. Clough has a good alibi. He had arrived with his people in Salem that day, from their old home in Iowa, and they had come by the covered wagon route, and he was very, very tired after the long, toilsome journey—and he was younger than he is now; though this is not saying he is not still youthful in his feelings. But he needed sleep, and his slumbers were not to be disturbed by such a thing as a fire, even though it might be the biggest one Salem had ever seen. Some of his people heard the commotion—but he heard nothing. He remained in the comforting arms of Morpheus throughout all the disturbance. He was sorry to miss the great show, but did not regret the wonderful rest that first night in the land where one with good digestion and a clear conscience can sleep well.

Mr. McCully attended that fire. He was a member of the Capital engine company. There was great rivalry in those days, when a paid fire department was a thing of the far future, between that company and the Tiger engine company. The one that got first water on the fire carried the fox tail of victory until it was wrested from its place of honor by the rival crew playing the first stream.

At that fire, the Tigers won the fox tail. Mr. McCully has not forgotten the disgrace. The bits man can hark back to that old rivalry. He is rather proud to have been a Tiger; though the Tigers were considered the roughnecks, and the Capitals the silk-stocking boys. Walt Lowe, street commissioner, was a Tiger. So was Eugene Eckstein and many others still on d-k and going more or less strong.

A. A. McCully was the father of J. D. McCully. David and A. A. McCully, brothers, were pioneer merchants of Salem, and they were largely interested in steamboat navigation on the Willamette, and in other beneficial and forward looking enterprises. By 1878, the family of A. A. McCully had moved to their farm four and a half miles north of Amity, between that town and Dayton; so J. D. McCully was not in Salem at the time of the fire in the basement of the court house.

As to the chicken advertisement: Frank W. Waters was only about nine years old at that time. His father, W. H. H. Waters, who came to Oregon in 1852, was then editor of The Statesman, and he and his brother, A. W. Waters, owned the paper. A. W. Waters

## "The Czarina's Rubies" By SIDNEY WARWICK

CHAPTER LV

Jim heard the news with relief. "Tomorrow if possible we'll run over to Monkstiver ourselves," he said. "That mysterious fish, it must have some definite meaning. Probably quite a simple explanation. Anyway, I want to have a shot at solving it myself."

"Well, good hunting," said Katharine. "I hope soon to be able to congratulate you, Miss Faring, on the recovered possession of your family jewels."

He shook hands with Milly and Katharine, Jim and Bill walked with him to the gate.

"I suppose you won't call in the local police over this raid?" Katharine said.

"Hardly worth while in the circumstances," said Bill.

"No, it would hardly serve much purpose now. The big fish will so soon be in the net. Oh, I'm not talking idly."

"Look here," said Jim bluntly, "you've rather mystified us tonight, Katharine. Have you got anything to tell us before you go?"

Isham gave a little shrug. "I'm not playing at mystery for mystery's sake. Only—well, I'd rather leave explanations until after tomorrow."

"Why tomorrow?"

"Oh, because tomorrow may prove rather an uneventful day, Isham said enigmatically. He added abruptly: "You've already guessed, of course, why I'm down here? For no other reason than to bring to book one of the most sinister figures of the criminal world."

"You mean Martell?"

"Martell, of course. The dominant figure in the far-reaching evil network of the Boggar's Court has become the center. Oh, not this conspiracy against Severn—something utterly apart from that. Will it surprise you when I say that your friend, Severn, only comes, as it were, incidentally into my business with Martell? I was out on the trail after Martell before I had ever heard Severn's name—a trail that led from Sing Sing to this quiet English village."

Isham pulled himself out of the delightful trail of thought with a regretful sigh.

No such luck for him. With this new definite turn of events, that worrying business at Boggar's Court was too urgent for a truce. Jim pulled himself out of the dreamy near the breaking point of panic-surrender. Within the next hour or two Martell might ring him up.

Expectant Besides, if Isham were a reliable prophet, something big and momentous was affecting the case was on the very eve of happening.

No, he and Katharine would have to wait.

Jim raced through the business of dressing, with the alluring thought in his mind of a snatched ten minutes alone with Katharine before breakfast.

It was almost difficult to realize that less than a week ago, so crowded a week it had been, they had met for the first time after more than two years—and Katharine had even forgotten his name. And now she had promised to marry him, Jim smiled very contentedly at his soap-soaked face in the mirror as he shaved.

Even yet his luck seemed almost too wonderful to be true.

As he left his room Jim ran into Milly. She and Bill had been told the news, of course, and equally of course, both had been delighted—though it was hardly news that had come as a surprise to Milly.

"I think I saw Katharine in the garden just now, Jimmy," she told him, to add smilingly, "Try not to be more than ten minutes late for breakfast, you know."

Jim made no rash promises. He ran downstairs and out into the garden to Katharine. At the sound of his footsteps she turned with quick eagerness. The wind that had blown the fog out to sea brought an entrancing color to her face; the split gold of the sunlight seemed to play hide and seek in the dusky shadows of her hair.

"Oh, my beautiful!" he whispered as for a moment his arms went around her with a little thrill, his eyes on the flushed loveliness of her face. "I feel as if someone—you—had made me a present of the world!"

There—tomorrow coming." They had reached the garden gate, Isham held out his hand. Evidently he did not mean to explain himself or say any more.

Just now you said the trail led you from Sing Sing," Bill remarked abruptly. "About a year back I happened to go over Sing Sing. I have an oddly retentive memory for faces—and I remember one man there who the governor told me was in for life. The curious thing is that man is now out of prison."

Isham looked hard at him for a moment, then gave a short laugh.

"Your memory is better than mine in this case, Mr. Grayson. You don't remember you on the occasion you speak of. Well, I have something to tell you about that, too, after tomorrow."

He passed through the gate and strode toward his cottage. Bill's puzzled eyes followed the tall figure as it disappeared in the mist.

"Who and what the deuce is Isham?" Bill said. "Knows how to play a lone hand and keep mum anyway."

Then he shrugged his shoulders.

"Well, so long as this sinister circle's smashed and Severn rescued whether by Isham's efforts or ours—what's the odds? But I wonder what the big thing is he's promised us for tomorrow?"

Last night's fog had gone and the world outside his bedroom window was agleam with mellow autumn sunlight. Just the sort of day to have spent uninterrupted with Katharine, was Jim's first thought as he opened his eyes to the shaft of gold quivering in between the drawn curtains.

To have set out in the car as soon as breakfast was over for a long day together, just he and Katharine, with no more settled plan than to follow the lines of the telegraph poles into the unknown and fetch up for lunch somewhere, anywhere, in the next county but one—

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why did you wait till five minutes to breakfast time to tell me?" "Too bad that you should have so laggard a lover, darling!" he agreed. "But anyway, Milly's given us ten minutes grace—and she knows that we shall steal another ten at least to add to 'em. So that is all right."

They wandered down the long garden towards the estuary that bounded it, happy as children, with Mike the terrier making a rather bored third. For once no one seemed to be taking any notice of him at all. From afar came the sound of the gong for breakfast, and Mike seemed surprised that neither Katharine nor Jim appeared to pay any heed to its summons. He paused, watching them expectantly, waiting for them to turn, then at last as if looking at the clock, he solemnly trotted towards the house alone.

If breakfast meant nothing to them, there was none of that nonsense about Mike.

"But surely our stolen ten minutes must be up, Jim?" Katharine said as a distant clock chimed.

And almost simultaneously from the top of the garden Milly's voice hailed them.

"Hello! Breakfast ready, I suppose? Just coming."

"Oh, breakfast's been over ages!" Milly cried smilingly. "You're wanted on the telephone. Someone who won't give his name."

"Was it Martell? Eagerly Jim beckoned himself to the house, snatched up the receiver.

"Hello. Mr. Wynter speaking. Who are you?"

"Martin." The husky frightened voice was almost unrecognizable. "I've decided to—do what you asked, Mr. Wynter. Can I come to see you tonight about six?"

"Yes—if you can't make it earlier."

"I want to come after dusk falls," the hurried voice went on. "I don't see how I can get to you, or sure they don't suspect something as it is. They've just gone out, and I've snatched this chance of speaking. I've decided to tell all I know—about Mr. Severn—where he is—everything. But I don't talk any longer now—they might come back suddenly, and find me at the telephone. I'll come by boat tomorrow, Mr. Wynter. It will be safer as I might be seen going in at your gate."

"That's all right. But at least you can tell me now. Where is Mr. Severn being kept a prisoner?" said Jim urgently.

"But no answer came. Already the terrified man at the other end had rung off.

(To Be Continued Tomorrow)

## Yesterdays

... Of Old Salem

Town Talks from The Statesman of Earlier Days

## Daily Thought

"Justice is as strictly due between neighbor nations as between neighborhood citizens. A highwayman is as much a robber when he plunders in a gang, as when he singles out a victim that makes an unjust war is only a great gang."—Franklin.

## Pantages Trial Looming Again, Judge Selected

LOS ANGELES, Oct. 27.—(AP)—Superior Judge Marshall McComb was appointed Monday to preside at the re-trial next week of Alexander Pantages, theatre magnate, on charges of attacking Eunice Fringle, young dancer, in his downtown theatre building two years ago.

The trial is scheduled to start Monday.

Pantages, originally found guilty, was granted a new trial by the state supreme court.

## GENARO KNOCKED OUT

PARIS, Oct. 27.—(AP)—Younis Perex, young boxer from Tunis, knocked out Frankie Genaro, New York veteran recognized by the National Boxing association as world's flyweight champion in the second round of a 15 round title fight last night.