

### MUTUAL GROUP IS TO OPERATE ON FIRM BASIS

Former Directors Furnish Funds to Help Firm in Reorganizing

Difficulties Arising Over Prudential Tie-up are All Smoothed out

Definite steps toward the reorganization of the Mutual Savings & Loan association were made yesterday at a meeting of the former board of directors and J. R. Callahan, state supervisor of savings and loan associations.

This was the first time a joint meeting could be arranged since the severance of the Mutual from the Prudential Bancorporation, which had contracted to put up funds for the reserve fund stock of the Mutual. Stress of work on the auditors of the corporation department prevented earlier adjustment of accounts. This was accomplished early this week.

In setting up the new financial statement of the association the former board of directors voluntarily contributed funds to make good any deficiency in the capital structure of the association; and this contribution was certified to by the supervisor. The effect is that the Mutual may now go forward as an independent savings and loan association without any impairment of capital.

The new balance sheet of the company, under date of December 1, 1931, is as follows:

ASSETS	
Cash on Hand and in Banks	2,335.04
Pass Book Loans to Members	33,000.00
Real Estate Loans	420,069.71
Real Estate Subject to Redemption	2,895.65
Real Estate Owned	22,056.36
Real Estate Sold on Contract	19,037.70
Miscellaneous Charges to Loans	34.75
Insurance Advanced on Loans	289.80
Furniture & Fixtures	1,549.15
Accrued Interest Receivable	8,890.72
Investments in Other Associations	2,036.00
	\$512,194.88
LIABILITIES	
Members' Investments	
Installment Certificates	\$460,931.38
Class A	78.00
Class B	765.00
Class C	26,545.73
Class D	4,300.00
Class E	6,200.00
City Assessments Payable (not due)	819.66
Accounts Payable	201.43
Accrued Taxes (no due)	338.54
Reserve	
Excise Tax	60.92
Contingent Fund	746.85
Undivided Profits	11,207.37
	\$512,194.88

I hereby certify that the above is a true and correct statement of the Mutual Savings & Loan association as of December 1, 1931, and that the same is in full compliance with the state laws with respect to mutual associations.

(Signed) J. R. CALLAHAN,  
Building and Loan Supervisor.

The resignations of T. M. Hicks and E. M. Page as directors were tendered and accepted, and new directors will be chosen to fill their places. The new board of directors is composed of Harry O. White, president; A. Lee, O. White, secretary; J. C. Perry, Dr. L. O. Clement and I. H. Van Winkle. Two more members will be chosen. The annual meeting of the association will be held December 26. The company goes back to its

(Turn to page 2, col. 1)

### Lenz and Pal Take Three Little Slams And Increase Lead

Official System Champions Pile up Advantage To 5650 Points, Hold Margin of 17 Rubbers to Culbertsons' 11

NEW YORK, Dec. 12—(Saturday)—(AP)—Slams sent the lead of Sidney S. Lenz and Oswald Jacoby over Mr. and Mrs. Ely Culbertson up to 5650 in a twelve-rubber session ending at 12:47 a. m. today. The pair representing the "official" system on contract bridge in a 150-rubber test with the Culbertson system gained 3,835 points.

### CHAMBER ELECTION IS LOOMING NEAR

McKay, Simpson and Steed Are Chosen Candidates For Presidency

New officers for the Salem chamber of commerce will be elected on December 21. Nominations have been made by the nominating committee, Oliver J. Myers, U. G. Boyer and W. L. Phillips, as follows:

President—Douglas McKay, Robert J. Simpson and J. Lyman Steed.

Vice-president—Frank Doolittle, Earl L. Fisher and Ronald C. Glover.

Secretary—P. C. MacDonald, T. M. Hicks and C. A. Vibbert.

Treasurer—W. W. Chadwick, L. R. Endicott and H. L. Stiff.

Director, social department—Hollis W. Huntington, Ira W. Jorgensen and Oscar E. Price.

Director, civic department—Oscar D. Olson, Otto K. Paulus and T. A. Windishar.

Director, legislative department—William J. Braun, William P. Ellis and Harry J. Mohr.

Director, industrial department—W. M. Hamilton, A. S. Johnson and C. A. Page.

Director, agricultural department—Lloyd A. Lee, Jess M. Rupert and J. P. Ulrich.

The new King Ring of the Cherrians, who will be elected next Wednesday, will serve on the board, as will the new president of the Salem Business Men's league, who will be elected during the following week.

The constitution of the chamber requires the nomination of three men for each office.

### SHIPPERS DECLARE SKIES BRIGHTENING

PORTLAND, Ore., Dec. 11—(AP)—Shippers and producers gathered here today for the regional quarterly meeting of the Pacific northwest advisory board declared they saw a brightening of the northwest industrial sky. Substantial gains in carloadings for the first three months of 1932, as compared with the first quarter of this year, were forecast by several speakers.

R. J. Stephens, reporting for the grain, flour and mill products committee, forecast 10 per cent more freight cars would be needed to move grain commodities in the first quarter of 1932 than in the corresponding period of 1931.

O. M. Plummer predicted a ten per cent increase in the movement of all kinds of livestock, except sheep. R. L. Clark, chairman of the sheep committee, estimated the increase in sheep movement at 6.1 per cent.

### ZAMORA INAUGURATED

MADRID, Dec. 11—(AP)—Don Nictio Alcalá Zamora swore to uphold Spain's new constitution today and became the nation's first constitutional president.

The defendants were found guilty of conspiracy to violate the prohibition laws, of operating a distillery without bond, of fermenting some 35,000 gallons of mash and of maintaining a common nuisance. The first three carry a maximum penalty of five years in the penitentiary and a \$10,000 fine while the latter a maximum penalty of a year in jail.

### Sublime and Ridiculous Mark State House Stag

Everything from Scotch stories to learned discourses, from community singing to artistic rendition of musical numbers, and from the sublime to the ridiculous was dished up to the 102 men who attended the first annual get-together party of state officials at the Marion hotel last night. The banquet was declared a success and by vote of those present last night, such events will assume a permanent place on the social calendar of the state capital.

Virtually every department of state government in the vicinity of Salem was represented at the affair. Several of those who could not be present sent wires of congratulatory wishes were Governor Julius L. Meier, General George A. White and Charles Pray, superintendent of the state police.

Governor Willard L. Marks was introduced first in starting the round table introduction of those present. He responded with a short address, giving a fitting atmosphere for the extent levity which was to be practiced at this

### BOND DISCOUNT ON CITY WATER ISSUE TO HURT

Would Mean \$125,000 Loss On Present Proposal For Santiam Line

Engineers' Estimates too Optimistic as to Rate Salem Would pay

By C. A. SPRAGUE

Municipal bonds may be sold as low as 95 under the new law passed by the legislature. In view of the present bond market the city would be unable to market the proposed \$2,500,000 of 5 per cent bonds at par and would be forced to accept 95 for the bonds. This would discount the bonds \$125,000 and make the fund that much short of the amount estimated to be needed to construct the pipe line system.

A few years ago Eugene sold a block of its power bonds 5 1/4 at 95. The bond houses sold them to customers at 93 1/4, one house making \$20,000 on the deal. Later the bonds were called, and for the time they were out the interest and discount charge to the city was 8 1/4 per cent.

While Salem's credit is excellent, the public is skeptical of bond emissions at the present time. Eastern buyers have the jolt of the Astoria situation. A block of Astoria bonds held in the east was offered at 38 this week but no one in the west would take them at that price.

Seattle which has sold many millions of city light bonds found no bidders on its recent call for bids on a new bond. On city of Portland unemployment fund bonds, no satisfactory bids were received at the last offer so the bonds were not sold.

The set-up of the engineers on the financing of the pipe line system is based on great reduction in the operating expenses of the system and on getting money at par and 4 1/4 per cent interest. An increase of one quarter of one per cent interest over the term of 36 years would amount to \$218,750—quite an important sum where

(Turn to page 2, col. 3)

### NEWSBOY KING IS VISITOR IN SALEM

Cole Starts With Nickel, Visits 28 Countries In Wide Travels

Oregon is a great country for walking exercise, declares Samuel H. "King" Cole, king of the newsboys, who paid Salem a visit Friday. Hitch-hikers, of whom Cole is one of the most famous in the world, fare poorly in Oregon, he says, but he doesn't blame Oregon people or call them unkindly—he blames it because of the attacks, sometimes fatal, that ungrateful hitch-hikers have made on their benefactors.

Salem was not signally honored by Cole's presence even though his claim to fame is unique; for he has visited every state capital in the United States, most of them a number of times, and also the capitals of 28 foreign countries. He has met most of the crowned heads of the world, and has their signatures to prove it; but at the same time that he characterizes the kings and princes as a democratic lot for the most part, he also declares them to be a vanishing race which will keep on vanishing.

Cole started out shortly after being mustered out of Uncle Sam's service in the World war, upon the tours which have taken him more than 170,000 miles. He has just a nickel as capital to start with, still has the nickel.

(Turn to page 2, col. 2)

### Ex-Dry Officers Found Guilty of Wet Conspiracy

TACOMA, Dec. 11—(AP)—Guilty on all four counts of the indictment was the verdict reached by the jury late today in the case of Graham Johnson and John Stickle, former Seattle prohibition department employees charged with participating in the operation of the giant \$60,000 Graham distillery raided in Pierce county last July.

The defendants were found guilty of conspiracy to violate the prohibition laws, of operating a distillery without bond, of fermenting some 35,000 gallons of mash and of maintaining a common nuisance. The first three carry a maximum penalty of five years in the penitentiary and a \$10,000 fine while the latter a maximum penalty of a year in jail.

### Coquille Lad is Killed, Another Expected to Die

COQUILLE, Ore., Dec. 11—(AP)—Ray Brown, Jr., 8, was injured fatally and Reed Keller, 7, was hurt so badly he was not expected to live when they were struck by an automobile on the Coquille-Marshfield highway about a mile from here tonight.

The boys were brought to a hospital where the Brown boy died.

Franklin J. Brewster, 21, driver of the automobile told Sheriff Hess he was blinded by the lights of an approaching automobile. He admitted, Sheriff Hess said, that he had taken a few drinks of beer. He was held under technical arrest.

### Start Widening Of Oregon Trail

THE DALLES, Ore., Dec. 11—(AP)—The state highway department today started a crew of ten men on the job of widening the old Oregon trail east of the intersection with the Sherman highway. The crew will be increased Monday.

A total of 137 men are now employed under the emergency program in the mid-Columbia area.

PORTLAND, Ore., Dec. 11—(AP)—Clog Collins, said to be an employee of a Portland hospital, was struck by an automobile and injured fatally here today. Hospital attendants said he suffered a fracture of his skull, a broken leg and severe bruises.

Police said Collins was hit by a machine driven by Jack Gibson, Benson high school student, Gibson was not held.

### Here's Man Who Defied Japanese

This is the first picture to arrive in this country of General Mah Chan Shan, commander of the Chinese forces in Northern Manchuria, whose defense of Taitshih against the Japanese attracted world attention. General Mah's army was driven out of Taitshih after a three-day battle. When the Nippon victors later withdrew, General Mah recaptured the city.

### KETTLES SHOULD BE WELL FILLED TODAY

Saturday Shoppers Will aid Deserving and Needy in Spirit of Holiday

SALVATION ARMY "GOOD WILL FUND"

Previously reported \$121.99  
Kettles Friday ..... 29.39  
Total ..... \$151.38

Today is Saturday. The town will be full of people from territory surrounding Salem, plus the many Salem people who take this day to "go downtown" for the weekend bargains and to see the crowds.

Each and all will hear the call of the Salvation Army as its bells tinkle a hint to every passerby that a penny, a nickel, a dime or any larger amount may be tossed into the kettle as he races along to the next errand. Toss in the coin and there is waiting a group of people who will act as the servants of the tosser to see that the said coin is used according to the spirit of the Christmas time in giving aid to the needy and cheer to the poor.

The Salvation Army will really aid the hurried passer by doing

(Turn to page 2, col. 1)

### ONE OF ENTOMBED MINERS YET ALIVE

TACOMA, Wash., Dec. 11—(AP)—"Still searching" were the words which came up late today from the depths of the Wilkeson Coal & Coke company mine at Wilkeson where two men have been entombed 300 feet beneath the ground since early Wednesday afternoon. They were trapped when the coal vein in which they were working caved in and buried them.

The men, John S. Johnson, 46, and Oscar Huhta, 42, both married and each a father, were buried by a huge slide from a vertical vein of coal, which covered a space more than 40 feet square, when they were engaged in pulling a pillar in the shaft or removing the column of coal that had been left to support the rock ceiling at that point.

Work was renewed with fervor yesterday after one of the rescue crews talked to Johnson, mine officials said. Johnson told the rescuers that he was pinned beneath a huge timber, and that both of his legs were broken. He told the searchers that he did not know where Huhta was buried, but he believed him to be dead.

### Railroad Gives Married Women Lengthy Layoff

SEATTLE, Dec. 11—(AP)—Northern Pacific officials announced here tonight that married women working for the railroad, whose husbands are employed, will be given a six months leave of absence after January 1.

Single women employees, who marry after that date, will lose their positions, they added.

The ruling is to be effective in all states which the railroad operates, it said, having been issued from headquarters at St. Paul.

### Pedestrian Hit By Car May Die

PORTLAND, Ore., Dec. 11—(AP)—Clog Collins, said to be an employee of a Portland hospital, was struck by an automobile and injured fatally here today. Hospital attendants said he suffered a fracture of his skull, a broken leg and severe bruises.

Police said Collins was hit by a machine driven by Jack Gibson, Benson high school student, Gibson was not held.

### RAIL WORKERS SEEK FURTHER WAGE PARLEYS

Say Neither yes nor no to Companies' Appeal for 10 per Cent cut

Leaders Authorized to Take Protective Measures if Request is Denied

CHICAGO, Dec. 11—(AP)—Organized railway labor offered tonight to negotiate with the managements the problem of wage reductions, replying for the present neither "yes" or "no" to the suggestion of immediate voluntary ten per cent cuts.

Making it clear that measures to relieve unemployment and to stabilize employment must be included in any agreement, the men "invited and urged" the managements to meet with labor leaders and negotiate "to a conclusion" the pending issues.

If the roads failed to accept this invitation, the rail unions and brotherhoods authorized their leaders to take all necessary steps to protect the interests of the men "in existing rates of pay and working conditions."

A copy of the report, adopted after five days of executive conferences, was taken by D. B. Robertson, chairman of the meeting, to the Chicago hotel room of Daniel S. Willard, president of the Baltimore and Ohio. Willard said he would pass it on to other rail executives, declaring to discuss it in the meantime.

### COURTHOUSE TREE WILL BE LIGHTED

Salem's living Christmas tree, on the courthouse lawn, will be decorated and lighted early next week, members of the Cherrians Council of Nobles decided at their meeting held at The Spa yesterday noon. W. M. Hamilton was appointed chairman of the lighting committee.

The Cherrian tree is said to have been the first outdoor-lit, illuminated Christmas tree in the world. The first lighting was in 1912.

New officers for the Cherrians will be elected at a meeting next Wednesday at the Gray Belle restaurant. At this time final arrangements will be made for the annual banquet which will be held on Tuesday, January 5.

### FIGURE IN SCHOOL ROW IS ACQUITTED

JUNCTION CITY, Ore., Dec. 11—(AP)—A six-man jury today acquitted Arthur Graville of a charge of violating the school attendance law. The jury deliberated only 15 minutes.

Following the jury's verdict the district attorney moved and obtained dismissal of similar charges against Mrs. Ruth Barto and Edward Bogert.

The arrest of the three was an outgrowth of the district 17 school row which began last spring.

The main issue of the trial was the question of residence. Mrs. Graville testified the family had moved to the Bear Creek district in order to send the children to the school in that district. In response to a question she said the family might move back to district 17 if and when her children could be educated properly there.

### Farmer's Union Plans Campaign of Extension

Marked extension of the work of the Farmers' Union throughout the state will be undertaken next year with James J. O'Shay, former national executive secretary of the Union in Oregon to do the development work. Decision to this effect was reached here yesterday when the state executive committee of the Union held an all-day gathering at the chamber of commerce rooms.

There are now 50 local organizations of the Union in Oregon and the plan is to add to their number and to increase the membership in each organization.

An additional project to be pushed next year by the Union will be the development of a co-operative marketing organization in Portland for the handling of livestock raised by members of the Union.

The executive committee listened yesterday to an extended report by J. J. Sechrist, state vice-president and delegate to the national Farmers' Union convention.

### Secrist while in the middle west investigated reasons why Oregon clover market was not finding ready market. Discrimination in marketing rather than any inherent competitive weakness in the seed was balanced by Sechrist for the restricted sales. The executive committee voted its approval of the national program of the Union which calls for some revision in the federal monetary system. A report was made on help sent recently by the Union to farmers in Montana. A carload of produce went out from Salem, in response to an appeal for help, 86 tons of prunes were donated, 6000 boxes of apples came in and thousands of dollars cash were received. All members of the board were in attendance here yesterday. They are L. H. McFee, Dallas; J. J. Sechrist, Balleston; C. F. Emerson, The Dalles; A. G. Rempel, Rickreall; John Shepherd, Seio; Walter W. Russell, McMinnville; Ernest Werner, Silverton.

### Loud Protest Meets War Debt Revision Proposal by Hoover

Unemployed to Benefit \$8,228 From Grid Game

MORATORIUM ALREADY IN EFFECT FACING TROUBLE ALSO

RATIFICATION IS DELAYED BY LEADERS THOUGH SUCCESS LIKELY

WASHINGTON, Dec. 11—(AP)—An outburst of protest on Capitol Hill today all but closed the door upon President Hoover's proposal for revision of war debts. From houses and senate and from leaders of both parties came firm declarations against further debt relief for Europe under existing conditions.

Meanwhile, with delay confronting ratification of the one-year moratorium, already in effect, the administration prepared a message to the foreign governments respecting their debt payments due to this country next Tuesday.

However, failure attended an attempt to bind house democratic and republican leaders to support this statement, in which it is understood Secretary Stimson would assure the foreign powers that the payments could be abandoned with certainty of congressional ratification of the moratorium. Failure is deemed only temporary.

Failure to bind the house leaders was not regarded as any reflection of the moratorium on their part. But it is certain the one year debt holiday faces new trouble as a result of the latest debt move by the administration.

As the tide of opposition grew in volume under Secretary Mills hastened to back up with facts and figures the statement made by the president that some European nations would not be in position after expiration of the moratorium to pay their debt obligations. Mills arranged a conference for tomorrow.

The administration leader of the senate, Watson, of Indiana, led the attack upon debt revision with the declaration that "it is unthinkable that the American people should shoulder Europe's debts in order to enable those nations to build navies and equip armies." He said Europe must first cut armaments.

### LINEN WEAVING ON TWO-SHIFT BASIS

All Looms at Salem Mill in Operation; Orders are Ahead of Output

The plant of the Salem Linen Mills is one of the bright spots in Salem's industrial and business life. Not only are all the 16 new looms now in operation, but they have for some days been on a double schedule, with two eight hour shifts—operating from 7 in the morning until 12 at night; and the whole of the weaving department of the mill is on a smoothly working basis as though it were an old story instead of a new one, with all the apparatus supplying the looms going along in fine shape, with no hitches in any of this part of the factory.

And notwithstanding the increased and increasing output of this department, there is no chance for accumulating any surplus stock. It is going to customers as fast as it can be given the finishing touches and be properly packed, labeled and shipped.

F. J. Gilbrath, manager of the mill, arrived home last Monday night from a trip of about three weeks to California points. He visited the trade in San Francisco, Oakland, Los Angeles and San Diego, and secured favorable new connections in each one of those cities, and there are increasing orders from Portland, Seattle and other northwest cities.

While nothing spectacular is being planned, it is not too much to say that within six months there is no doubt that more new looms will be added to the equipment, probably some of them having a wider range of output. Most of the product of the looms now going to the markets is towels, lunch cloths, and the like and such is the quality and finish, and the attractive packages, that re-orders from pleased customers are the inevitable result.

### SHULER FOURTH IN SPEAKING CONTEST

Willis Shuler of Willamette university, won fourth place in the state after-dinner speaking contest held at the University of Oregon Friday night. First place went to Lewis Johnson of Oregon State College, who spoke on "God Bless You, My Children" (the religious racket).

The speeches were on American rackets and Shuler drew "The Reno Trail" (the divorce racket). Thomas Hartfield of U. of O. won second place speaking on the crime racket and Donald Gilbert of Pacific U. placed third, talking on the athletic racket.

Other schools sending speakers were Pacific college, Linfield college and Oregon normal school. Ten representatives from Pacific University attended the contest in addition to the speaker and coach from there.

Major-General George A. White presided as toastmaster. Other rackets talked were educational rackets, "going out of business" rackets and how the rackets work. Professor Rabe and Ronald Hewitt accompanied Shuler to Eugene.

### Gorilla Jones Out For Title

MILWAUKEE, Dec. 11—(AP)—Gorilla Jones, Okron, O., negro, tonight won the right to fight Oddone Piazza of Italy for the middleweight championship by defeating Henry Firpo of Louisville, in the semi-final bout of the National Boxing association's tournament.

11 SHOPPING DAYS 'TIL CHRISTMAS