

The Oregon Statesman

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

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The War Debt Muddle

JUST now foreign debts in general and war debts in particular appear to be the Dragons which must be slain before the American St. George can be strong again.

The crux of the matter, oddly enough, is not shall the foreign nations pay, or have they intrinsic ability to pay or do they want to pay; popularly expressed the nubbin of the matter is: "What will debtors of the United States use for money?"

There are only four known methods for the settlement of international debt: 1. Payment in gold. 2. Payment in goods. 3. Payment through invisible "imports" translated into gold.

4. Payment through new borrowing. The first method now is impossible, France excepted. Germany to support the stabilized mark has only 12% gold reserve; if she sent every ounce of gold in the nation out this year she could pay less than two years' reparations.

Payment in goods likewise becomes untenable when importing nations erect huge tariff barriers which prevent a debtor nation paying off in kind. England historically recognized that as long as she was a world nation, loaning money in the four corners of the earth, her trade must be free and the flow of goods allowed to be taken as payment of debt.

Invisible imports of a nation are principally moneys received from travel. France's rise from the fringe of bankruptcy in 1926 to affluence in 1932 has largely been due to hoarding of her gold a large amount of which was obtained from American tourists. But as business in the United States declines, travel likewise is diminished.

Payment through new borrowing has been the means Germany, notably, has used to "settle" her debts. With the film of prosperity created by the gold-backed new mark and with reparation payments agreed upon, capital flowed into Germany and the new income exceeded the debt flow outward. Obviously this now has ceased.

The problem of debt settlement is doubly complicated because it now is intertwined with private debts. Which loans shall Germany rightfully pay first; those imposed by the Versailles treaty or those imposed by private agreements? Germany feeling only the latter brought her value received, is now committed to private debt settlement alone. Add to this complexity the fact that the United States has held since 1920 that the Allies debts to us were in no way entangled with reparation payments from Germany while each ally claims the reparations and war debt situations are inextricably connected, and you see a muddled problem.

In such a vexing situation no one way out appears assured. Lowered tariff walls must come; the stand-still agreements on private debts will continue until Germany catches her economic breath; England may be forced to establish the pound sterling on a basis lower than \$4.86 in order to compete with the wiping out of domestic debts occasioned by Italy, Germany, and France who juggled their currencies and by total for quotation are paying only a small portion to her creditors, paved the way for industrial advantage over debt-ridden England.

Above all, the United States must learn of a new science for us—the international lending of money. We cannot escape this new position. It started towards us when the world blew up in 1914; we cannot lose this economic leadership even if our short-sighted statements tell us to get out of world affairs. We are an international leader; thus we will stay; and as we continue and learn the complexities of the present problems will unravel through experience.

Big News Stories of 1931

EDITOR and Publisher, the trade weekly for newspapermen, has published what prominent news executives picked out as the ten biggest news stories of 1931. A comparison of the three lists shows quite a wide divergence of opinion. The Manchurian affair places in each list; so does the death of Thomas A. Edison. Then there are some stories recognized by two of the three; such as, the depression, death of Knute Rockne, Post-Gatty flight, Wickersham report, pope's first radio broadcast, Spanish revolution.

But here are the lists, the first being that prepared by J. M. Kendrick, executive news editor of the Associated Press:

- 1. World depression (included in this, related occurrences that might be attributed to the depression as a cause). 2. Dispute between China and Japan over Manchuria. 3. Mahatma Gandhi. 4. Knute Rockne's death in airplane crash. 5. Wickersham commission's report of prohibition. 6. Post-Gatty flight around the world. 7. Edison's death. 8. Culbertson-Lenz bridge match. 9. Imprisonment of Albert B. Fall. 10. Conviction of Al Capone.

Carl D. Groat, news director, United Press, prepared the following list:

- 1. The world economic situation, including such individual stories as the Hoover moratorium, the abandonment of the gold standard by England, downfall of the British labor government, and the British naval mutiny—all manifestations of the same basic story. 2. Seizure of Manchuria and further inroads by Japan upon Chinese political and economic life. 3. The overthrow of the Spanish monarchy. 4. The pope's first broadcast to the world. 5. The Colorado blizzard in which children froze to death. 6. Pepper Martin's activities in the last world series, and Knute Rockne's fatal airplane crash, as outstanding sports stories. 7. Dramatic disagreement between the Vatican and Italy. 8. The Wickersham reports. 9. Thomas Edison's death. 10. The suicide from shame of Vivian Gordon's daughter after revelations brought out by the mother's murder. "These are selected," Mr. Groat said, "for variety as well as their outstanding character. The Post-Gatty, Pangborn-Herdon and Boardman-Polando flights ought to be listed as among the greatest stories; Gandhi's activities and the visits to the United States of Laval and Grandi would also qualify."

Yesterdays

... Of Old Salem Town Talks from The Statesman of Earlier Days

February 13, 1907 Check of the manufacture and sale of adulterated foods, and misbranding of the same, is sought in a pure food bill before the house. Millers protested the measure on the grounds it would injure their business.

The senate has refused to concur in the house joint resolution for submitting to the people the question of equal suffrage. Mrs. Abigail Scott Duffrage of Portland, who attended the legislature in the interests of the measure, stated that the women would obtain initiative petitions, frustrating the senate's action.

Salem's Chinese population yesterday ushered in their celebration of New Year's with gaily, noise and exhilaration. Bombs and fire crackers went up in smoke. Their stores on High street were specially decorated for the occasion.

February 13, 1922 Dallas is endeavoring to secure the first plant to be established by the Willamette Valley Flax and Hemp Growers' Cooperative association. They propose to establish the plant in a three-story mill building and power it with both water and steam.

Vachel Lindsay, the American poet, will speak in Willamette university chapel late this month. Professor Panunzio, head of the social science department, announced yesterday.

WASHINGTON—Demand for a reduction in the size of the army to 100,000 enlisted men, or even to a maximum of 75,000, will be made when the annual army appropriation bill is considered. The budget estimates call for a total appropriation of \$154,225,512 for all persons connected with the army.

New Views

The question asked yesterday by Statesman reporters was: "Do you think schools and state offices should be closed on Lincoln's birthday?" Why?

Velma Rickman, clerk: "Well, I wouldn't mind having a holiday."

Lola Williams, housekeeper: "I don't see any real need for a holiday, but I guess it's all right."

Wilfred Hagedorn, student: "Boy, and how!"

Sadie Standifer, student: "With the programs that we have in school we celebrate Lincoln's birthday better without a holiday."

Lester B. Endicott, oil company representative: "Yes, sir, I most certainly do. I don't know of any other man who is more popular in the schools than Lincoln, unless it's Washington, and I think that not honoring him with a holiday is wrong."

Paul Hanser, senior class president, high school: "I think all the students would like to see it. I would, too, of course."

HERE'S HOW

By EDSON

TURNS NIGHT INTO DAY!



Sunday: "Bullets of Sound"

BITS for BREAKFAST

By R. J. HENDRICKS

Oregon's great contribution:

The writer is reluctant to drop the series on the election to the United States senate of Col. E. D. Baker and J. W. Nesmith by the legislature of 1860, without a brief sketch of the life of Baker. (That was the first regular session of the Oregon state legislature after the admission of the territory as a state, though one has been held in July, 1858, while this was "a state without the union," not being admitted until Feb. 14, 1859; and at the 1858 session Joseph Lane and Delazon Smith had been elected to the U. S. senate. But that historic hiatus, when Oregon had both a state and a territorial legislature, makes a long story, to be told at some future date.)

E. D. Baker was born in London, Feb. 24, 1811, son of a school teacher. The family came to Philadelphia five years later. Young Baker was there apprenticed to a weaver. The family went to Indiana in 1825, and a year later to Illinois. At 16 the boy drove a dray in St. Louis one season, whence he went back to Illinois and studied law. In 1831, age 20, he heretofore related in this series, he married. Baker's mother was Lucy Dickinson, sister of Thomas Dickinson, a distinguished officer in the British navy.

In 1832 Baker enlisted as a private in the Black Hawk war, and came out a major. He was admitted to the bar and commenced practicing in Greene county, Ill., and later moved to Springfield. There he was the associate of Abraham Lincoln and other

able lawyers who attained fame. In 1837 he was in the lower house of the Illinois legislature; in the senate in 1840-1844, and served in the lower house of congress in 1845-46, resigning December 30 of the latter year to accept a commission as colonel and lead an Illinois regiment in the war with Mexico. Served with distinction. Returned to Galena, Ill., and was again elected to congress, serving in 1849-1851, when he declined a reelection. The brilliancy of his oratorical powers got first national attention when he was the orator at the laying of the cornerstone of the old state house in Springfield, Ill., July 4, 1837.

Baker and Lincoln were competitors for the congressional nomination from the Springfield district in 1842. It was a close contest, but Baker won, securing an instructed delegation in his favor, and Lincoln placed his name before the convention. Neither was successful. John J. Hardin being nominated and elected. Baker, however, was elected to succeed Hardin, and Lincoln to succeed Baker.

Baker came prominently to the help of Oregon country January 18, 1846, when he introduced a resolution in the lower house of congress demanding that the president of the United States surrender not a foot of territory to which our country had a clear title—meaning the Oregon country, to 54-40; up to Alaska. On the 29th, speaking on the resolution asking the president to notify the president of the United States' intention to terminate occupancy of the Oregon country, he made an address that electrified the country. It was an extended burst of oratory. Here are very brief extracts:

"I desire to treat this as an American question, and I shall not be driven out of that course. I am not one of those who supported Mr. Polk. I used the utmost of my ability to prevent his election; and when Mr. Clay was beaten, I confessed I felt as the friends of Great Britain would be supposed to have felt when he was driven from Athens. . . . Sir, the west will be true to her convictions. I believe that portion of the west which sustained Mr. Polk will still be for the whole of Oregon. . . . It is to the spirit, which prompts these settlers that we are indebted for the settlement of the western states. The men who are going to beat down roads and level mountains—to brave and overcome the terrors of the wilderness

"The Gay Bandit of the Border" By TOM GILL

CHAPTER LXVI Aglas in silence they drove out toward the hacienda of Morales, fear and foreboding in the heart of each as to what might be the end. At last the low hacienda loomed in the distance, flanked by its long shadows of eucalyptus. A brooding quiet lay over the place, a menacing watchfulness, and once the girl shivered as if some cold current of air had touched her. Again she was placing herself and the man she loved in the hands of her enemies—they were staking everything on the slender chance of winning the sympathy of Morales. Something within her kept warning that it was a lost cause, telling her to turn back while yet there was time. Resolutely she put the thought from her and sped on.

The great black gates stood open and they drove up to the entrance of the deserted patio. No servants ran out to announce them. Their steps echoed on the polished tile, and still no sound came from within. "Where can they be?" She whispered. Inside, the macaw regarded them silently from his perch in the patio. Then a light footfall sounded behind them, and from out the gloom Jito came forward. With that silent, catlike tread of his he strode up to them, and in the gathering twilight the two men stood again face to face while the memories of their enemy rose like unbidden specters between them. To the girl he made no sign of recognition, but fastened his dark eyes on Ted.

"For Dios," the Mexican's deep voice rumbled through the silent hall, "I begin to think you are truly a very brave man, señor. Would it be hard for you to understand that the thing I want most in life is once more to get my fingers about your throat?" A wave of blind fury swept over Ted at the man's tone—a longing to clench his fists into the dark, scowling face. For a second he held himself in leash, then slowly, the red anger within him died. There were more important issues at stake. Adela had already stepped between them. "Where is uncle, Jito?" she asked quickly.

The Mexican jerked his head toward the stairs. "In his room. Ever since you ran away he has been there. You will not find him amiable." "I find no one amiable in this forbidding place," she flung back at him. Then to Ted, "I want to talk to uncle in his room. Stay here—and hope."

She ran her arm through Jito's. "Come, big one," she smiled tremulously up at him. "I want you to help me too."

For a moment the Mexican hesitated. His sudden eyes again sought Ted, then dropped to Adela's upturned face. Without a word he turned and followed her.

Ted watched them mount the stairs and a moment later heard the distant closing of a door.

Silence fell. Filled with misgiving Ted walked about the patio. Once he stepped out to gaze on the purpling desert. Every nerve within him was carrying some message of impending danger, some warning in the silence urging him to leave before too late. Impatiently he shook his head. He had to come. There was no other way. Lighting a cigarette, he resumed his restless pacing. Morales, after all, held the cards, and now all their hope centered on Morales. Again he stopped and listened. No sound. And yet Adela must know by now whether it was life or death. Would they never come down? Even now it must all be decided up there. His restless pace increased. Would she have her uncle of hers or—

Savagely he flung the cigarette aside. The silence, the uncertainty, were unendurable. Would nothing ever happen? Then, as if in answer, he heard from above the muffled scream of the girl. Like a maddened tiger he leaped for the stairs. A door opened and he ran down the shadowy hall, and directly ahead of him something gleamed. In the darkness Jito stood with drawn revolver. "Señor," warned the low, rumbling voice, one more step and you die."

For a second the American's muscles knotted. For a long breath Ted weighed the chances of dashing the gun from Jito's hand. Then reason came to his aid; there was no chance. The Mexican's too eager watchfulness told clearly of the quick death that awaited the least move.

Again Jito spoke. "Turn slowly, now, señor, and go down the stairs, then out through the patio to the servants' quarters."

Ted turned. Already he knew that Jito was taking him to the barred cell. Morales had shown him once before. Yet as he walked down the stairs he listened. No sound came from above. His feet grated on the gravel walk, and at the door of the cell he stopped. The key was in the lock.

"Enter," Jito commanded. Ted stepped inside, and heard the key turn noisily. Jito gave a low whistle, and to the peon who came running up he said in quick Spanish: "Go down to the village. Send me my vaqueros. Send riders to all the camps and bring in everyone. Tell them to ride at high gallop. By midnight I want every man. Tell them El Coyote is captured and that Paco Morales holds his ally here. Vaya."

As Radcliffe caught the meaning of those last words, all hope died. Don Bob's release was now impossible, and Morales, far from showing mercy to a fallen enemy, had seized this chance of making Ted his prisoner. Laying his face close against the bars, Ted looked back toward the hacienda. One vine-covered corner

only was visible. Beyond, almost invisible in the dusk, were the open gates. Then something moved outside and suddenly his heart jumped to hear Adela's voice.

"Ted!" came the whisper. The next moment her hands were on his and, reaching through the bars, her hands touched his face, while for a time he heard only a low, choked sobbing.

"Lover," she spoke at last, "I must go quickly. We have lost. Uncle is insane with anger and with plans for revenge. He won't listen to me. He held me while Jito took you here. I am afraid, desperately afraid, now, for you. I go to get the major."

Between the bars he felt her wet lips upon his own, and she had gone. The warm air of the desert beat in on the girl's face as, faster and faster, she sped over the narrow road. To the left rose the granite cross of the Conquistadors, keeping its endless vigil beneath the stars. She flashed on the headlights. A ranchhouse loomed up and was quickly left behind. A lonely coyote skulked across the road, turning to watch the lights of her passing, and as she drove her thoughts went racing on ahead, desperate, formless thoughts born of her bitter need. Her only hope, her only chance lay in the major's aid. If he refused, if he delayed—Adela thrust back the certainty of what must happen to Ted out there among a horde of maddened vaqueros.

A glow in the sky ahead told her Verdi was nearing, and with it came a recollection that the major would be at Don Bob's on this last night of his freedom. At the crossroads she turned toward the ranch. Once she looked up at the stars. "Dear God," she whispered, "he must come, and Uncle Paco must listen."

Turning through the gate at Bob's hacienda Adela swung past a band of horsemen clustered about the corral. Swarthy, sombered men with sarapes swung over their shoulders, sitting their horses in silence; and within the scabbard of each a rifle was thrust. Intent on her mission, the girl gave no thought to that silent group of armed riders, but drew up before the steps and, without knocking, threw open the door.

Inside, the major and Don Bob lingered over their coffee and cigars, their dinner clothes in strange contrast to the trail-worn costumes of the morning. One might have said that here sat two leisurely gentlemen, idly talking, enjoying a quiet hour of relaxation before the evening. Certainly nothing in Don Bob's manner would have betrayed the fact that for him the last moments of his freedom were swiftly passing.

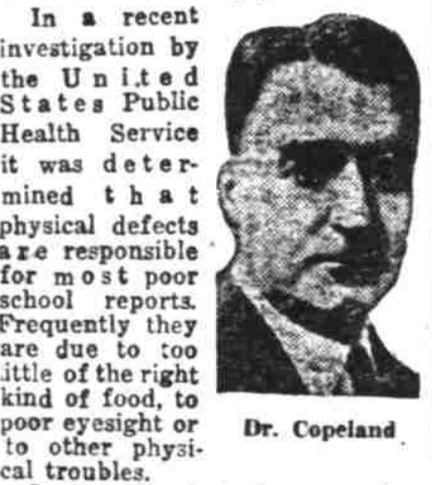
Both men started to their feet as the girl burst in upon them. Rapidly Adela told them of Ted's capture and of her uncle's mad joy at the taking of Don Bob. Again a memory of the light that had flashed in Morales's eyes came back to her.

(To Be Continued Tomorrow)

Daily Health Talks

By ROYAL S. COPELAND, M. D.

HAVE you recently inspected your children's report cards? Are you satisfied with the school reports, or do you think there are too many poor marks?



In a recent investigation by the United States Public Health Service it was determined that physical defects are responsible for most poor school reports. Frequently they are due to too little of the right kind of food, to poor eyesight or to other physical troubles. It is estimated that anywhere from one-quarter to one-third of the children in school are handicapped by malnutrition. This has a definite influence on the progress that school children make or do not make. By "malnutrition" is meant the physical state that results when a child is not receiving the proper food. It means that there is a lack of the proteins, minerals, vitamins and other food substances which are essential to the normal development of bone, muscle, teeth and brain. Lack of these substances results in certain constitutional diseases, such as rickets, and tends definitely to prevent mental progress. Every child should be assured of a well-balanced diet. It must contain plenty of milk, eggs, meat, vegetables, fruits and whole cereals. I know you will be astonished to learn that children showing signs of malnutrition often come from homes that can afford good food. The trouble is that these children eat too little of certain foods and too much of others. The parents are most often to blame. They are

not familiar with the necessity of a well-balanced and varied diet or else they neglect to apply their knowledge. Remember that even though the food be of good quality, it should not be eaten quickly, nor between meals. Neglect of these precautions, together with too little sleep and rest, and lack of exercise, may bring on the symptoms of malnutrition. Very often the teacher will accuse little Johnny of being lazy. Little Johnny and many of his playmates may not pay attention to their work. These children are not lazy necessarily, but because they are not well nourished they cannot function normally. Children who are not well nourished tire easily. They are slow-witted, are ill-behaved and do not show the usual signs of brightness.

Another important thing to be considered is the child's sight or hearing. Very often the child has poor sight and it is difficult for him to study, or to see what the teacher writes on the blackboard. When there is any impairment in the hearing it is difficult for a child to hear what the teacher has to say. When overlooked and not recognized immediately, such handicaps place the child in the backward group. When the physical defects are recognized and remedied, the child's school work immediately improves. I tell you about these matters because if you have received a report card that is not satisfactory, and particularly if your child has not been to a physician lately, I would suggest that you take the child to one. Have the eyes and ears examined. See that the tonsils are not unduly enlarged, and that there is no difficulty in breathing because of enlarged adenoids. Have a complete examination, and see if it is not possible to improve any physical defect that your child may possess. If you do this, you will immediately see a change in the school progress you give this to your child, and I am sure you are glad to do everything possible for your children.

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And here is the list of Joseph V. Connolly, president of the International News Service:

- 1. Pope Pius XI makes first papal radio broadcast in world's history from Vatican. 2. Abdication of King Alfonso as Spain becomes republic. 3. Professor Auguste Piccard safe after ascending 52,000 feet in stratosphere. 4. Aviators Wiley Post and Harold Gatty set new record of 8 days 15 hours and 51 minutes in flying around the world. 5. Hoover debt moratorium. 6. Japan's defiance of League of Nations in taking control of Manchuria. 7. Great Britain going off gold standard. 8. Al Capone sentenced to federal penitentiary. 9. Death of Thomas A. Edison. 10. Death of Senator Dwight W. Morrow

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