

WEATHER
Fog, no temperature change today and Sunday. Max. Temp. Friday 36, Min. 28; rain .02 inch, river 6.4 feet, cloudy, north winds.

EIGHTY-SECOND YEAR

Salem, Oregon, Saturday Morning, February 4, 1938

No. 269

BRANCH BANKS BENEFITS AND DEFECTS TOLD

State Association in Favor of Bill, Queries Show Opposite Sentiment

Warning on Need to Keep up Large Capital Voiced by State Officer

Branch banking, its benefits and defects, were extensively aired Friday night in a public hearing held in the senate chambers on Senate bill 57. The committees on banking in each house heard the arguments, Senator Williamson of Albany presiding.

The bill proposed would permit branch banking in cities of more than 200,000 for banks with a capitalization of \$1,000,000 or more. Banks in cities of less than 50,000 with a minimum capitalization of \$150,000 could conduct branches within a radius of 25 miles of the main institution or within its county, provided a minimum of \$50,000 in capital was provided for each branch established.

The bill would enable state or national banks to have branches, the act being applicable to national banks only in cities of 100,000 or more population until additional permissive legislation is passed by congress.

Branches could only be established through purchase of an existing bank or through establishment in a community without banking service.

State Association Head Supports Measure
T. J. Cramer, secretary of the State Bankers' association, took the lead in presenting arguments for the bill, stating that the executive committee and the legislative committee of the association were both favorable to it. He outlined the state and national trend towards fewer and stronger banks, revealed especially in the years of depression.

Cramer said banking deposits of Oregon were now concentrating in Portland. He said many eastern Oregon cities had asked for establishment of branch banks. He declared he did not think branch banking would lead to concentration of funds in large cities, to monopoly or to dereliction by banks in serving their local communities.

F. E. Callister, president of the association, said his experience as a federal bank examiner in California had evidenced to him that patrons of branch banks welcomed their advent to a city and had adequate demonstration in times of crisis that the branch bank could provide funds.

Reducing Capital
Trend Says Schramm
A. A. Schramm, state banking examiner, indicated he favored branch banking legislation although he declared it was his opinion that branch banking tended to lessen the capital investment in banks and thus to reduce the cushion behind deposits.

Schramm said he thought \$50,000 should be the minimum capital of any bank in the state, an amount of money increasingly difficult for individuals to obtain. Better management will follow additional capital, Schramm averred, holding the larger the amount of money invested the more likely the investor was to bulwark his interest by superior personnel and through placement of additional cash resources behind the investment.

F. E. Coulter, of Portland, self-styled "student of economy" protested against the branch banking bill in vigorous terms, declaring that the enactment of the measure into law would create a one-bank monopoly of banks in Oregon within a decade.

(Turn to page 2, col. 3)

Admiring Balmy Clime of "Sunny Cal"



Caught in the icy grip of a blizzard that swept Lake Arrowhead, more than 2000 persons attracted to the resort by the annual winter sports carnival, were marooned in Arrowhead village and many motorists were trapped on the rim of the world highway. Photo shows the passenger bus and some of the cars that were marooned at Lake Arrowhead.

MANY SMALL BILLS APPROVED IN HOUSE

Important Ones Lacking as Committees Continue To Ponder Them

The lower house of the legislature ground on steadily Friday but its accomplishments were more quantitative than qualitative, major bills still being in committee.

Chief among the house's actions was passage of Representative Weatherford's measure permitting filing of liens to secure seed advances to farmers. Weatherford contending the measure would aid rather than hamper farmers, many of whom cannot now obtain seed without the lien protection to the seller.

The house passed bill 31, enlarging the scope of labor which can be protected by the industrial accident commission.

It adopted other bills including one to relieve cities of furnishing bonds in cases at law, provided for quarterly inventories of supplies held by the state and changed legal provisions relating to taxation of road districts.

H. B. 288 requiring an eight-inch sign on all school busses was made a special order of business for Monday.

A number of bills were killed including two by Representative Olsen relating to fee reduction of electrical workers and two by Representative Paulus making minor changes in circuit court procedure.

Representative Longman reported more than a dozen bills out of the judiciary committee.

Resolution for World Court is Passed, Senate

Ratification of the world protocols now before the United States senate was urged upon that body by the state senate here yesterday in a resolution adopted with only three dissenting votes. Senators Woodward and Dickson each urged the passage of the resolution as a means of hurrying U. S. senate action. Senator Upton spoke against the resolution, condemning the world court as a means of entangling this nation in European affairs.

Sensors voting against the world court resolution included Eason, Staples, Upton and Wheeler.

State Office Building Amortization Extended

Extension of the amortization period for repayment of cost of the state office building, to make it possible to reduce by 50 per cent, rentals charged to state departments housed therein, was approved by the ways and means committee of the legislature when a report recommending such a step was considered Friday night. Funds for construction of this building were borrowed from the state industrial accident commission.

Appropriation of \$55,142 asked by the state board of health, but disapproved by the state budget director, was reinstated by the ways and means committee. The budget director had suggested that this state activity be made self supporting.

The budget as approved by the ways and means committee will result in a saving of \$24,360, when compared with the aggregate requirements presented by the board officials. In reducing the requirements the committee eliminated four laboratory employees, clerk, rehabilitation officer and three male nurses. Salary cuts also were applied.

Daladier is Approved in Initial Test

Paris, Feb. 3.—(AP)—By a large majority, the chamber of deputies tonight approved Premier Daladier's promise to quiet France's unrest, balance the budget, and participate in the proposed world economic conference.

Socialists at the last minute decided to support the cabinet and helped make emphatic a 370 to 200 vote of confidence in the premier's proposal to proceed with a program of "slow but sure" financial restoration.

In a declaration read in the chamber, M. Daladier pledged himself energetically to quiet the country's unrest. France, he said, faces "material and moral difficulties, but no present peril, justifies alarm now." It is necessary to face conditions "with energy and with speed and strength," he declared.

GOVERNMENT WILL USE HOME GOODS

Washington, Feb. 3.—(AP)—The senate tonight voted a modified restriction of imports by confining all government departments to the purchase of American made materials and supplies whenever practicable.

The vote was 41 to 12. The issue split the democrats widely despite a modification which would permit use of foreign materials if similar products were not produced in the United States "in sufficiently and reasonably available commercial quantities and satisfactory quality."

The proposal, sponsored by Senator Johnson (R., Cal.), was offered as an amendment to the treasury-postoffice appropriation bill.

A similar proposal has passed the house as a separate bill. The Johnson amendment, however, still must be accepted by the house.

Purvine Still in Serious Condition

No word of improvement in the condition of S. Ellis Purvine, Community Service president and active charity leader, could be given last night. His condition was described as still very serious and a second consultation with Portland medical men was called for. Mr. Purvine suddenly became seriously ill last Sunday.

Medical Officer To Arrive Soon At Soldier Home

ROSEBURG, Ore., Feb. 3.—(AP)—Dr. James G. Donnelly, who is to be chief medical officer of the Northwest National Soldiers' Home at Roseburg, is expected to arrive here from Washington, D. C., this month. The home is nearing completion.

For the past few years Dr. Donnelly has been the executive officer to the medical director at Washington, and was formerly regional medical officer for the Los Angeles division of the veterans administration.

PLANE REACHES NOME ANCHORAGE, Alaska, Feb. 3.—(AP)—The United States signal station today reported the plane of Pilot Robert Reeves, lost in a blizzard with four passengers since Tuesday, had arrived safely at Nome.

SPANISH DOCUMENT KEY TO GUY TRIAL

Theft of Paper Written by Accused in 1931 Said Cause of Slaying

LONG BEACH, Cal., Feb. 3.—(AP)—A document written in Spanish, purportedly stolen from the wallet of the slain Walter Wanderwell was described to a jury here today by his widow in her testimony against William James Guy, 23 year old adventurer on trial for the killing.

Wearing a trimly tailored semi-military uniform which added further color to a case of fascinating mystery, Aloha Wanderwell testified that in South America in the summer of 1931, while Guy was a member of an expedition to South America, he tendered Wanderwell a paper which stated that Guy and other members of the party would no longer accept Wanderwell's leadership.

She said her husband always carried the paper in his wallet, but that it has been missing since he was shot in the back on his yacht Carina by a man who boarded the craft here December 6.

Accused of murdering Guy was placed ashore at Panama City, according to testimony at preliminary hearings, and it was from that circumstance that his alleged enemy for Wanderwell arose.

Prosecution questioning of the pretty young widow, who accompanied Wanderwell on his travels from the time they met in southern France when she was 17 years old, stressed the theory that Guy killed Wanderwell to obtain the document so that it could not be used to combat his asserted attempts to collect money from the professional rover.

SEED LOAN BILL IS NOT YET APPROVED

In reply to its wire this week asking Senator McNary as to the status of the seed loan bill, the Salem chamber of commerce has received the following telegram: "President has not yet signed seed loan bill, but as soon as it becomes law department of agriculture has assured me it will proceed as rapidly as possible in effecting necessary organization."

The chamber requested this information after a large number of farmers, interviewing a representative of the Regional Agricultural Credit corporation here this week, concluded that they would prefer the seed loans, as they were made last year, to those offered by this corporation. The corporation requires chattel mortgages on farmers' property while the seed loans were made on collateral of the crop alone.

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CAUSTIC WORDS MARK HEARING OVER OLEO TAX

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Mickle and Eldridge Made Targets of Attacks; Food Value Topic

Biting remarks directed at two differing men by two militant and opposing women enlivened the oleomargarine hearing last night before the house committee on foods and dairy products. An amused audience applauded as first Mrs. Alexander Thompson of Portland, representing the Oleo Food League and then Mrs. Louise Palmer Webber of Portland spoke against and for the proposed law to tax oleomargarine.

Mrs. Thompson launched into a face to face attack on J. D. Mickle, state foods and dairies commissioner, who after speaking in favor of the bill had taken a front seat in the crowded committee room. Mrs. Thompson declared that Mickle made scolding and insulting allusions to a speech she had delivered the night before. Mickle, replying over the rapping of a chairman calling for order, denied that he had even heard the speech referred to.

Farmers Entitled to Sell Butter, Buy Oleo
Speaking further as a "dirt farmer," Mrs. Thompson denied that "oleo" interests had conducted an intensive radio campaign against passage of tax measures. She declared it the right of farmers to sell butter and buy oleomargarine if they wanted to do so, and without the hindrance of a prohibitive tax.

Mrs. Webber, speaking in rebuttal against opponents of the bill, directed a rapid fire of comment toward K. C. Eldridge of Portland, representative of oleomargarine manufacturers, and appealed the case to the supreme court, has volunteered his services in preparing the sections of the brief covering points he had worked on in the initial suit in circuit court for a declaratory judgment on the bonds' validity and appealed the case to the supreme court, has volunteered his services in preparing the sections of the brief covering points he had worked on in the initial suit.

As soon as the city's brief is submitted to the high court, Kowitz will file a motion for advancing time for oral arguments and if the petition is granted, attorneys for both sides may argue the case yet this month.

That the water company may resort to unusual procedure and seek permission to file an answer to the city's reply brief was indicated yesterday.

COUNTY MANAGERS BILL IS APPROVED

Voters of Oregon will have opportunity to amend the state constitution by designating for county government if a resolution which passed the senate yesterday, 22 to 8, prevails in the house. The measure was introduced by Senator Upton who also has put into the senate hopper a bill which would put into effect that constitutional provision, if the latter was carried.

The legislation provides that the management form of government can only be provided in counties which specially vote for it. Upton denied that Governor Meier had favored the legislation "to get even with some office holders in Multnomah county."

Senator Burke opposed the measure as an expensive innovation in county government.

Banks Warns He Will Resist Any Arrest Attempt

MEDFORD, Ore., Feb. 3.—(AP)—Accusing the courts of Jackson county of joint conspiracy, L. A. Banks, publisher and orchardist, announced in an extra edition of his morning newspaper today that he will resist arrest on a charge of criminal libel and attempted extortion.

The charges were filed in the court of Judge L. A. Roberts at Ashland yesterday by M. O. Wilkins, attorney and former counsel for banks. A hearing on the accusations will be held tomorrow at Ashland.

Substitute Bus, Truck Bill to Be Drawn, Word

A substitute bus and truck bill to replace the several bills now before the highways and taxation committee of the house, may be introduced by the state highway department Monday, it was indicated yesterday. Truck and bus men will gather here again that day to go before the committee on legislation still unreported.

The highway department bill, it is reported, will leave blank the rate of increases in various taxes but will prescribe the methods of further regulating contract and schedule haulers. A considerable boost in rates is anticipated.

Takes Whirl at Running France



Political mortality among French premiers has been high lately, but Edouard Daladier, who was minister of war in the latest cabinet, has tackled the job relinquished by Joseph Paul-Boncour.

WATER DECISION IS EXPECTED IN APRIL

City to File Reply Brief in Fortnight; Trindle To Assist Kowitz

Decision from the state supreme court on the city's suit for validation of the \$2,500,000 water bond issue is now looked for in April, according to Chris J. Kowitz, city attorney, who yesterday reported that he would probably submit the city's reply brief to that body in less than two weeks. Last Saturday he filed motion for more time in which to draw up the brief answering the 148-page one filed by the Oregon Washington Water Service company, January 17.

William H. Trindle, former city attorney who instituted the suit in circuit court for a declaratory judgment on the bonds' validity and appealed the case to the supreme court, has volunteered his services in preparing the sections of the brief covering points he had worked on in the initial suit.

Kowitz said. The present city attorney has completed the major portion of his share of the brief, covering merits of the case.

That the water company may resort to unusual procedure and seek permission to file an answer to the city's reply brief was indicated yesterday.

State Hospital's Quarantine to be Lifted Monday

The influenza epidemic at Oregon state hospital has passed and the ban on visitors will be lifted Monday morning. Dr. R. E. Lee Steiner, superintendent, announced last night. The hospital had been under quarantine several weeks.

More than 100 attendants and inmates suffered from the disease, according to Dr. Steiner, and four deaths resulted, two of inmates and two, nurses.

WANTS POLITICS BAN PROHIBITED, R. I. Feb. 3.—(AP)—An "armistice in politics, criticism and obstruction," was demanded tonight by Senator Harrison of Mississippi in proposing a series of ten legislative projects for the coming extra session of congress.

Fighting Farmers Carry On Against Foreclosure

(By the Associated Press)
The midwest's mortgage fighting farmer carried on in field and legislative hall yesterday, determined to forestall foreclosure sales while his tactics won him various praise and warning at Washington.

Twenty four neighbors of Charles Grady at Ivesdale, Ill., posted \$2,000 bond that his personal property, mortgaged for \$2,750 and bought by them at auction for \$4.95, would be held safe pending litigation.

Attorney W. A. Doss, whose wife held the mortgage, has sued to recover the property. The farmers insisted the sale was legal, although they ejected Doss' agent from the farm, and have forwarded to Mrs. Doss a check for \$4.95, the proceeds from their purchases—ranging from two to 27 cents for farm machinery and livestock.

At Washington, the farmers alternately were praised as upholding the principles of the Boston tea party and admonished that interference with mortgage terms would ruin their credit.

'RIDE' THREAT IS FACING WORKERS ON RELIEF JOBS

Agitators Attempt Coercion to Bring About Strike for Higher "Food Wages" Among men Employed by County, Red Cross and Community Service; Demand for \$3 Or More Groceries is Urged

Aid Headquarters Starts Move to Speed up Handling of Requisitions, Following Recent Disturbances; Cards Entitling Bearer to Supplies for Period of Several Weeks, Feature Program Suggested

THAT agitators have threatened to take workmen on local relief projects "for a ride" if they do not strike for higher food wages was reported yesterday from a well-informed source.

From 10 to 30 men are now employed daily by the Community Service-Red Cross-county court setup at grubbing land, cutting firewood and working for the city street department.

The agitators said trouble would follow if these men refused to stop working for the \$1 worth of groceries a day now being paid them and strike for a \$3 or \$4 wage. As yet, however, no violence has occurred.

Apprised of the situation, Chief of Police Frank Minto declared he did not believe the agitators would resort to personal injury, and discounted their talk of doing harm to the relief project workers. From his experience with rioters who Thursday descended upon the Community Service-Red Cross office and demanded food, he said he was not afraid to do more than just talk. He intimated that if they continue their disturbances they might talk themselves out of the city, should the business men demand such action.

6713 NAMES TAKEN IN SCHOOL CENSUS

The 1932 census report of Salem school district, number 24, completed recently shows a total of 6713 children between the ages of four and 19 inclusive.

In this figure boys have a slight edge in numbers with 3406 listed. A surprisingly large enrollment in the city schools is noted in proportion to the census total, with the latest report numbering 5618 students and the figure probably to reach 6700 before the end of the present term. Too, out of the complete census list some are not yet of school age, there being 638 students between four and six years of age, and a number of the older children who have dropped out of school before reaching the age of 19.

Offsetting this, however, is the fact that some 600 students are brought to school in Salem by bus or other means of transportation, particularly to the high schools. (Turn to page 2, col. 1)

Prof. Roberts Students Please With Y Program

The Salem Y. M. C. A. program committee picked another winner last night when they presented Professor T. S. Roberts and his students in a musical entertainment in the Y lobby. All numbers were well received by a large audience.

A male quartet, composed of Wendell Robinson, Ronald Crane, Armand Taylor and R. B. Barton, accompanied by Professor Roberts, presented several numbers, while a group of piano ensemble numbers were given by Gretchen Thlesen and Carolyn Parker. The latter two also pleased the audience with solo selections.

Roosevelt Takes Vacation Before Facing New Task

ENROUTE WITH PRESIDENT-ELECT ROOSEVELT TO JACKSONVILLE, Fla., Feb. 3.—(AP)—President-elect Roosevelt concluded his intensive pre-presidential preparation tonight and set out in a carefree mood for his last private vacation—A 10 days' fishing cruise in southern waters.

Tomorrow morning in Jacksonville he boards the yacht of Vincent Astor, a distant relative, with a group of intimate friends on a cruise that is not destined to touch shore again until February 15.

FRENCH PLAN HIT
GENEVA, Feb. 3.—(AP)—The French disarmament plan, which was attacked yesterday by Germany and Italy, met further serious opposition today when the British spokesman announced his country would not give the additional pledges for European security which the French proposal demands.

The Day in Washington

Senate suspended David S. Barry, sergeant-at-arms, for writing magazine article indicating some members of congress sell votes.

House received \$10,500,000 legislative appropriation bill, \$2,129,468 under current appropriations.

Postmaster General Brown protested to Senator Robinson (D., Ark.), that senate's eliminating \$19,000,000 appropriation for air mail service would virtually destroy aeronautical industry.

Senate voted to confine government departments to purchase of American made materials and supplies wherever practicable.

Bennett Clark, son of the late Speaker Champ Clark, was sworn in as senator from Missouri.

Representative Laguardia (R., N. Y.) warned of danger to nation unless farm mortgage relief is given.