EIGHTY-SECOND YEAR

Salem, Oregon, Tuesday Morning, February 21, 1933

## Strong-arm Squad in Bank Reopening Case Active Here, Report

Umatilla Man's Nose Youth Held for Mistreated When He Holds out

Finally Gains Desired Concessions, Will Not Prosecute

Nose-twisting by man-handlers rom Pendleton started in Salem night when Leonard Zwicker farmer of Umatilla county, was dragged from an automote in which he was riding with brother. Otto Zwicker, prootor of the Salem Fluff Rug and Mattress factory, and roughly reated. He was forced to sign a iver agreement covering his deof nearly \$15,000 in the st Inland National bank of Pendleton, which has been closed holiday since October 18.

What is presumed to have been same strong-arm squad went Gresham and Saturday afteron atacked J. C. Turner, aged former, twisting his nose and compelling him to sign a similar waiver. Immediate publicity was given the Turner attack. While Statesman had partial reports Faturday of the Zwicker attack it was impossible to verify the runors in time for publication Sunmorning. The Pendleton group later made a settlement satisfactory to Mr. Zwicker so all concerned kept the matter quiet.

The details ware learned on Mon-

Leonard Zwicker came down from Pendleton last week to visit his aged father who is ill, and other relatives. One of his puroses also, it was stated, was to partment of the chamber of comescape depositors' committees who | merce and the generous responses had been besieging him to sign up indicated keen interest and wilto permit the bank to reopen. On Wednesday two men from Pendleton called on him and persisted in their efforts to get his signature. He refused to sign on the terms proposed in order to protect a brother also farming in that county, who was indebted to the bank and in danger of being closed out by them.

The Pendleton men sought the intercession of local bankers to effect an agreement because the reopening of the bank was regarded as of prime importance to the business life of Umatilla county. Friday night a conference was hold with a Salem banker as intermediary. No agreement was arrived at but the local banker sent terms to officials at Pendleton, expecting the reply Saturday porning.

Mr. Zwicker and his brother Otto then left the bank to return home. Men had peered into the bank when the conference was in progress, but they thought nothing of it. Passing along State street to reach their car they saw other cars with a group of men in them. Two cars followed them as they drove toward home at 13th Ed Kennedy, J. N. Chambers and and Wilbur.

On South 12th street, they were | made bread was especially stresssignalled to stop and about nine ed by Mr. Hicks. men set upon them, first molesting Otto Zwicker by mistake. Then they roughly pulled Leonard Zwicker out of the car and twisted his nose severely. As he was overpowered by numbers he signed the waiver telling them it would be of no value. Zwicker did of interest to the retail trade." not know the names of the men; but one said to have been in the company was George Ferguson, also reputed member of the

crowd at Gresham. The Zwickers came back downtown and reported the matter to the district attorney. The Pendleton crowd Saturday morning solicited terms of settlement. They finally agreed on terms which Otto Zwicker said were far better to his brother than what he had previously offered to settle for. Mr. Zwicker then signed the agreement voluntarily and dropped other charges. The matter was closed up Saturday noon. It was Saturday afternoon when the Gresham farmer was given similar rough treatment by the Penileton rough-necks for which they face charges of prosecution.

The comptroller of the currency required a sign-up of 97% of deposits in the bank before allowing it to resume business. As Zwicker's deposit was a large one, his agreement was necessary to permit the re-opening. According to Monday's dispatches the bank is expected to again be running within a few days. Edwin Winter, in charge of the bank reorganization, when advised Friday night of the tactics used here, immediately advised that no waivers obtained under duress would be

#### Municipal Dock Plan is Backed

as McKay and City Recorder \$160,000. meeting this month.

# RATE ON LOANS

Alleged Threat

To Slay Mother

Alleged threat to kill his mother, Mrs. Mary Dobrkosky, yester-

day caused arrest of Herman Do-

brkosky, 20, 1165 South street.

SALEM AND OREGON

PRODUCTS FAVORED

80 Grocers Enthusiastic at

Meeting; Public Support

Also Needed, Shown

The first step in a new move-

ment to buy Salem and Oregon

products was taken at a meeting

held at the chamber of commerce

Monday night when 80 of the

leading grocers of the city met to

talk on home industries and home

invitation of the industrial de-

ing local retail conditions espe-

cially in handling home made

bread. Called upon for expressions

of opinion, grocerymen indicated

not only their interest in home

made bread and other home made

products, but an intention to han-

dle only these home made goods.

the grocers, it was stressed that

the buying public and this espe-

cially included the women, should

be educated to demand home

made goods. All expressed their

intention and willingness to han-

dle home products but many said

only Oregon goods would be sold

if the buying public would have

B. E. Sisson, president of the

chamber opened the meeting and

later called upon Howard E. Hul-

sey, director of the industrial de-

partment of the chamber to pre-

Those making short talks on

the advantage that would accrue

to Salem if home made products

were demanded were C. P. Bish-

T. M. Hicks. The buying of home

"We feel the meeting was a

"as the grocerymen expressed

themselves as not only interested

in featuring Salem products, but

many asked that another meeting

Moonlight Saving

Scheme Banished

Hopes or fears of Salem citi-

zens for the "moonlight saving"

scheme of street lighting economy

were banished last night by a

special council committee's recom-

could be obtained through a two-

1. That at least half of the

cluster lights be discontinued.

point plan:

op, E. L. Wieder, Frank Marshall,

these products more in mind.

In several of the talks made by

These grocerymen met at the

made products.

arrest by the sheriff.

mit a felony.

Hours of Debate Result in Passage of two Bills. Defeat of Others

OVERINTEREST

Dickson Leads in Strenuous Fight: Rumor of Strong Lobby is Voiced

Rates on small loans, whether they be the \$5 advance of a pawn He was lodged in the county jail broker, or the \$300 maximum \$ late yesterday afternoon following per cent a month advance now made by so-called "remedian as-According to tale told by the sociations", tied the house up in mother, Dobrkosky flew into a oratorical knots Monday and the rage yesterday morning, hurled fight was not concluded until 4 dishes from the kitchen table, p. m. As a result some 50 house and threatened to kill her. His and senate measures also on the mother said he had been out of calendar were held back and leadwork for some time. He is ers in the house admitted it charged with threatening to comwould be impossible for that session to conclude its work this

> The five bills dealing with the small-loan business went through a series of parliamentary maneuvers: first a motion to indefinitely postpone consideration of all the measures, a step the house immediately voted down.

> Then came a bill by bill consideration accompanied by recurrent considerations of the various measures by committees of the whole. When the house had concluded its activities, the following changes had been agreed upon in existing laws:

> Interest rates on pawnbroker's loans were reduced from three to two and one-half per cent

> The state banking department was authorized to secure full gross and net earnings reports on all small loan businesses operating under a state license.

> H. B. 457 to limit interest rates on loans of \$30 or less to 10 per cent a month was killed.

H. B. 458 to limit interest rates on all loans up to \$300 to two lingness to cooperate in improv- and one-half per cent was killed, members Dammasch and Keasey changing their aye votes to may after the bill had a 31 aye major-

H. B. 459 to reduce interest rates on monthly balances of

As a whole, the small-loan reductionists lost their fight but company, who was also indicted, Representative W. L. Dickson, had previously surrendered himwho led the attack, put up a gallant scrap which on several roll calls was only one or two votes short of passage.

Dickson in the morning session won the fight from the majority report of his committee when he secured passage of his motion to Turn to Page 2, Col. 1)

## CUBS AND GIANTS HEAD SOUTHWARD

CHICAGO, Feb. 20 - (AP) great success," said Mr. Sisson, The advance contingent of one quarter of the 1933 National league pennant race, the Cubs and Giants, steamed toward California's spring training grounds tobe held to discuss other matters night in great style and ca-

Getting an even start in the two great baseball rivals joined forces in Chicago and boarded a deluxe nine car special train for the trip west. The combined party totaled 56 of which 22 were base-By City Council totaled 56 of ball players.

President William L. Veeck making his first trip west with the club in many years, headed the champions and their party of 32. Included among them were Manager Charlie Grimm, Pitcher Guy mendation that larger savings Bush, Pat Malone, "Buck" Newsom, and Beryl Richmond: Catchers Zack Taylor, "Gabby" Hartnett, and his brother, Herman, who is getting a trial; Infielders 2. That many of the corner arc Elwood English and Billy Herlights be turned out after 12:30 man, and Outfielder Jackson Riggs Stephenson.

### Move tor a Less Drastic Education Cut Defeated

Effort to obtain a less drastic. reduction in the salary schedule clared, "that 25 per cent of the for the higher education, led by Homer Angell, failed to receive approval of the ways and means tional institutions should be dicommittee of the legislature Monday night. Angell proposed that the 5 to 30 per cent reduction be applied to these salaries instead of the 5 to 50 per cent cut which the committee adopted early in

Angell indicated such a reversal would save the higher educa-The proposal for Mayor Doug- tional institutions approximately ion.

concerned.

"It is my opinion," Abrams demillage tax for the higher educaverted to the general fund."

Representative Gordon then raised the question whether it was legal to divert funds which had been appropriated for a specific purpose. A motion followed that this question be referred to the attorney general for a legal opin-

B. K. Lawson appeared before Representative Abrams protest- the committee and urged an ap-

tive Ryan.

Courageous Woman Who Saved Life Of Roosevelt; and One of Wounded



## **GIESY AND SCHWAB** FACE U. S. CHARGES

Illegal use of Mails Cited In Secret Indictment; Men are Arrested

PORTLAND, Ore., Feb. 10 - (AP)-Dr. B. F. Glesy, Zeno Schwab and William Phoenix officers of the Willamette Valley Mortgage and Loan company of Aurora, Ore., were arrested today on charges of using the United loans on autos from three to two States mails to carry forward a and one-half per cent on sums of scheme for obtaining money and \$500 or less was lost as well as property by means of false prethe attempt to reduce the limit tenses, the charges were contained for three per cent loans from \$800 in a secret indictment by the federal grand jury.

Gordon Watt, attorney for the self and given bond of \$1,000. The three arrested today were released on \$1,500 bonds.

Dr. Giesy was president of the company and also of the Aurora State bank. Schwab, secretary of the company, was cashier of the Both institutions have gone into receivership.

The four men are accused by the federal government of issuing trust deeds on real estate which were not bona fide. The government charges that they wrote letters to customers who had mortgages on property at the time those mortgages expired notifying them that the company was reinvesting the money in other mort gages and enclosing notes alleged to be worthless. The indictment named Ed W. Diller, Fred B. Garrett. Charles T. Hart and N. C.

Westcott as alleged mictims. Watt is at present in Seattle, where he is in the drug business. Dr. Glesy was arrested today at Aurora and Schwab at Gervais. flag chase, the first squads of the | Phoenix came here of his own accord from Jerome, Idaho.

The federal grand jury indictment contains four counts. Ben W. Olcott of Portland is receiver for the mortgage and loan com-

#### Jean Eastridge Recovering; Has Serious Injury

Improvement was reported last night in the condition of Jean Eastridge, 1069 Leslie street, who suffered serious injuries to her back early Sunday morning when a car in which she was riding with Sam B. Harbison, 19, of 1845 South Commercial street, crash-ed and rolled over on the Pacific highway, 10 miles south of Salem. Harbison received cuts about the head and sprains of a leg and the back. Both were knocked unconscious. Miss Eastridge is in Salem General hospital.

In his report to the sheriff, roung Harbison states that his ear was struck by an unknown machine coming from the south, turning his car around and wrecking it. The other machine did not stop and its license number was not obtained, he says.

### Workers' Center To Open Tonight

Opening of a so-called "work-Representative Assams protestone of a municipal dock here was reported out favorably by the city council public utilities committee and the five to 50 per council public meeting. Those opposing the bill were proposing the bill were and urged an appropriation of \$10,000 for the creation of a municipal dock here was reported out favorably by the city council public utilities committee and urged an appropriation of \$10,000 for the creation of a municipal dock here was reported out favorably by the city council public utilities committee and urged an appropriation of \$10,000 for the creation of a municipal dock here was reported out favorably by the city council public utilities committee and urged an appropriation of \$10,000 for the creation of a municipal dock here was reductions affecting the highation of a state mining board.

A bill providing for placing all ployed council at 8 o'clock tonight word of the committee and urged an appropriation of \$10,000 for the creation of a municipal dock here was reductions affecting the highation of a state mining board.

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A bill



Above, Mrs. W. F. Cross of Miami, Fla., whose courage and presence of mind helped to thwart the intended assassination of President-elect Roosevelt, Undaunted by the sudden appearance of a pistol in the hand of Guiseppe Zangara who was standing near her. Mrs. Cross seized his arm and spoiled his aim. Picture telephotoed from Miami to west coast. Below, Mrs. Joseph Gill of Miami, most seriously wounded of Zangara's

## ZANGARA GETS 80

MIAMI, Fla., Feb. 20 .- (AP)-As scornful of the law as when he tried to assassinate Presidentelect Roosevelt last Wednesday night, Guiseppe Zangara pleaded guilty today to four counts of attempt to murder, and was sentenced to 80 years' imprisonment. 'Oh judge, don't be stingy. Give

me 100 years," the 33-year-old prisoner shouted as he was led from the courtroom. Then, laughing in evident amusement, he fell in step with his guards and was led back to his prison cell. Zangara's sentences of 20 years

on each count, running consecutively, constitute life imprisonment at Raiford state prison or hard labor in the Flordia road

However, should Mayor Anton Cermak of Chicago, or Mrs. Joe H. Gill, society woman, die of wounds they received from bullets fired by Zangara at the president-elect, the state will seek a first degree murder indictment and the death penalty. Cermak and Mrs. Gill were reported continuing to show improvement at the hospital here.

## DEBATED FURTHER

The severance tax was debated before the house committee on assessment and taxation last night in the statehouse. The meeting was presided over by B. F. Nich-

Among the proponents of the bill were George B. McLeod, Wells Gilbert, E. B. Tanner, M. R. Williams and Charles Briggs. A majority of these speakers represented various lumber concerns and lumber groups throughout the Those opposing the bill were government. Clerks, teachers and of his group as favorable to the

was introduced at the first council apparently was satisfactory to all by the committee by Representa- speak on "United Front Mass resentatives of some of the countained as a said he favored a sales

# HERE FORECAST

Survey of Department Will Be Made, Hope to Offset **Underwriters' Data** 

Base Will be \$1; Move is Criticized Severely by **Council Members** 

Announcing receipt of information that the base rate for fire insurance in Salem was soon to be raised, Alderman O. A. Olson last night obtained permission from the council for the fire and water committee of which he is chairman to make a thorough survey of the efficiency of the fire department. In doing so, he precipitated a lively discussion about insurance men and firemen.

The insurance underwriters who in their report two years ago set the base rate here at 80 cents on \$100, plan to raise the rate to \$1, Olson stated. He said he wished to make the survey of the fire department so as to be able to make a showing to the underwrit-

Alderman H. H. Vandevort popped up to declare that "we've got a good fire department. If there is any way on earth we can take this insurance away from them, let's do it." Raising the insurance rate, he averred, is "highway rob-

Questioned on what the city could do about the insurance, City Attorney Chris J. Kowitz commented, "We can take it or leave it. The council can only decide about insurance on city prop- President and Speaker Give erty. The private citizens can insure as they like."

"The fire insurance companies have been losing money on fires for the past 13 years," Alderman Paul Hendricks interjected by way of explanation. "The rate here is low, the same as at Eugene and Albany."

Of 5000 points on which the underwriters base their rates, 1500 points are on fire departments and 1700 on water supplies. It was on these two factors, especially water supply, that the last rate raise was made.

Alderman Olson lost when he moved that \$340 be spent to purchase smoke and gas masks for the fire department. He de- youd the legal limit of 40 days. clared the Oregon building fire last month, with its deadly fumes from burning photographic films, | 50-bill calendar virtually unhad proved the uselessness of present, low-quality masks. One change his predictions. The sen-(Turn to Page 2, Col. 3)

## **WETS TAKE HEART** AND PLAN ACTION

While not out on the floor of either house, the prohibition subject again became a major issue in the Oregon legislature Monday following action by the national congress submitting the repeal of the 18th amendment to the states. Leaders predicted favorable action upon the new house measure

calling for the election of delegates to a state convention to consider the issue. A senate proposal had previously been defeated 17 to 13 in the upper house. Recognized wet leaders express-

ed themselves Monday as encouraged over the prospects of the proposed measure while Romeo Gouley, Marion county representative, wired Senator Charles L. McNary requesting immediate information as to what congress may be expected to do in the matter of convening state conventions and providing machinery for the equipment, arranged in beoths election of delegates.

A final public hearing on pend-

ng tax measures was held by the

house committee on taxation and

revenue in the house chamber last

night. The hearing developed into

in which much old straw was

threshed over. Farmers appeared

most eloquent advocate of the

sales tax being E. H. Belknap,

former representative from Ben-

ton county. He professed to see

emergency.

nothing else in sight to meet the

"Farms have been bearing 80

per cent of the burden for 80

years," said Belknap, "and if

necessities are to be exempted,

the farms should be exempt. Pro-

viding revenues though an income

tax is an impossibility. Where are

your incomes? Lowering the ex-

emptions gets more people to vote

against it. I am for the sales tax

pure and simple. It is not unjust.

Every individual ought to be will-

# CHINESE ATTACK BACK; LOSS HUGE

Attempt Drive on Japanese Garrison at Chaoyangssu: Many Left Dead as They Retreat Northward: Veteran Japan Army Moves Briskly Into Jehol but big "Push" Expected Today has not yet Started

Secession From League of Nations Decided Upon, Naval Minister at Tokyo Declares; Navy Ordered to Prepare For any Emergency; Assault on Manchuria's Neighbor To be Answer to League's Condemnation

THINCHOW, Manchuria, Feb. 21—Tuesday—(AP)—Re-J ports of severe fighting between Japanese and Chinese troops at Chaoyangssu in the Province of Jehol, were recceived here today by the Rengo (Japanese) News agency

ENDED THIS WEEK

Up Hope; Long Debates

Holding up Parade

Saturday night was abandoned

yesterday by Speaker Snell and

Both presiding officers were

hopeful last week end that the

session, now in its 42nd day,

could be ended with only one

week and one day consumed be-

major legislation to come in from

without pay, the final per diem al-

lowance ending last Friday.

ed under the dome yesterday.

Builders' Show

be staged in the armory.

around the armory wils.

Sales Tax Battle Fought

an argument over the sales tax ed practically the same ground

on both sides of the question, the inheritance taxes, reducing of ex-

ing and anxious to support the estate men, expressed the view

Present plans are for Mayor-

elect Joseph K. Carson of Port-

land to be the main speaker on

the opening night program. In

addition to programs, the show

will offer the public, free of

charge, opportunity to view all

types of building materials and

Leading the fight against the

sales tax were Ray Gill, master

of the state grange, and Ben C.

Osborne, secretary of the State

Federation of Labor. They cover-

as during the special session. Gill

advocated increases in income and

penses and using state's credit to

carry the deficit. Others opposing

the tax were C. D. Springer, Linn

county farmer and Mr. Williams

ty farmers presented resolutions

asking for relief from heavy prop-

erty taxes, and calling for a con-

stitutional amendment prohibiting

such levies. Mr. Haines of Wash-

ington county, pleaded with the

people to leave the matter with

the legislature and not to sign

any petition referring to the peo-

ple the tax laws which the legis-

J. F. Ulrich, representing real

The taxation committee will

be within the next few days.

A group of Washington coun-

of Washington county.

lature finally evolves.

or sales taxes.

All legislators are now serving

The largest lobby attendance

since the session opened was not-

Scheduled for

Mar. 23 and 24

five days.

correspondent. The Japanese asserted the Chinese attacked the Japa-

nese garrison there at 10:30 p. m. Monday night after which the SESSION CAN'T BE northward. retreated leaving many dead. The command of General Yoskimich! Suziki, comprising veter-

> ly in January, are bastening into Jehol province. The Japanese troops also expected to seize shortly the city of Pelpao, the terminus of one

> ans of the Shanhikwan battle ear-

branch of the Pelping-Mukden railroad. Japanese reports were that the Japanese soldiers immediately set out in pursuit of the retreat-

ing Chinese at Chaoyangssu. The Japanese assert that Chi-37th session of the legislature by nese troops belonging to General Tang Lu Lin's 107th brigade had attempted to encircle Chaoyangs-Senate President Kiddle when su and to attack the Japanese both men admitted it would be from the rear. This maneuver, impossible to complete all pendaccording to the Japanese version, ing legislation within the next precipitated the conflict.

(A Tokyo war office communique said this clash was an isolated affair and was not connected with a major offensive in Jehol province for which the Japanese now are preparing.)

A day-long debate of the small TOKYO, Feb. 21 - Tuesday loan bills in the house, with a (AP) -Saying that Japan had decided to secede from the League touched, caused the speaker to of Nations, Admiral Minea Osumi, Japanese naval minister, today orate passed a number of comparadered the Japanese navy to be tively minor measures yesterday prepared for any emergency. but was under a slow bell, waiting

His instructions followed fastmoving developments that were bringing to a head the Sino-Japanese dispute regarding Manchuffa and the nearby Province of Jehel. Although a foreign office spokesman said the Japanese assault on age-old Jehol might begin today, concomitant with the League of Nations' adoption of a report condemning the Japanese course in Manchuria, other military leaders here said the carefully-prepared and long-expected as-

sault on Jehol might not start for

#### Council Assists March 23 and 24 are the tenative dates for the building show Police Radio to to be held by Salem chapter, Oregon Building congress, it was an-Extent of \$300 nounced at last night's special directors' meeting. The affair will

several days.

The city council last night came to the aid of the police department in its efforts to obtain a short wave radio call system here by appropriating \$300 from the emergency fund. This appropriation together with funds obtained by the police brings the total of the radio fund to around \$700.

A few hundred dollars more is needed in order to place the police radio station in operation, it was stated after the meeting, but installation of equipment will be-

### All Over Again, Hearing The Day in Washington

By the Associated Press Repeal of 18th amendment submitted to states for ratification as house passed, 289 to 121, resolution already approved by senate.

Senate passed Wagner bill carrying additional \$300,000,000 for relief loans to states and liberalizing construction loans.

President Hoover in special message urged on congress seven moves to promote "econon recovery" and opposed domes-tic allotment farm relief,

House received from committee \$315,000,000 naval appropriation

Senate agriculture committee reported formally domestic al-lotment farm relief bill limited

Melvin Traylor and Leonard P. proceed to formulate its recom- Ayres, bankers, advocated to seamendations for submission to the ate finance committee sound legislature, which is expected to money and reduced governments

expenditures.