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EIGHTY-SECOND YEAR

No. 294

## CRISIS AKIN TO WAR FAGED BY NEW PRESIDENT

### Pledges in Inaugural Talk, Necessary Leadership And Initiative

### Brief Summary of Policies Given by Roosevelt as He Takes Office

By NATHAN ROBERTSON  
WASHINGTON, March 4—(AP)—Franklin D. Roosevelt took over the presidency of an expectant nation today with a bold assurance of leadership and a pledge that he will demand that the powers necessary to dispense the forces of depression. Standing bareheaded on the specially constructed platform in front of the capitol, the newly sworn president told a vast throng of his countrymen that he would "assume unhesitatingly the leadership" of the nation.

He outlined in general terms an eight-point line of attack on economic problems — including "adequate but sound money" and "aid that would submit detailed recommendations to a special session of congress."

**Normal Authority May Be Inadequate**

The new president expressed the hope that "the normal balance of executive and legislative authority may be wholly adequate to meet the unprecedented task," but warned that "need for undelayed action may call for temporary departure from that normal balance of public procedure."

"I am prepared under my constitutional duty to recommend the measures that a stricken nation in the midst of a stricken world may require," he told his cheering audience.

"These measures, or such other measures as the congress may bring out of its experience and wisdom, shall seek, within my constitutional authority, to bring to speedy adoption."

"But in the event the congress shall fail to take one of these two courses and in the event that the national emergency is still critical, I shall not evade the clear course of duty that will then confront me. I shall ask the congress to meet in special session, an instrument to meet the crisis—broad executive power to wage a"

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## HOOVER TO REMAIN FOR WHILE IN EAST

NEW YORK, March 4—(AP)—Herbert Hoover tonight began his first day as a private citizen with the high tower of a New York hotel changed for the White House—but with the fanfare marking his departure from officialdom still clinging to him.

Expecting to slip quietly into the city, the ex-president was met by a large throng and a military band playing the long-familiar "Hail to the Chief."

He expects to remain several days. He dined tonight alone with his son, Allan, and his secretary for many years, Lawrence Richey, before turning early to rest, tired from the long strain of his office and the strong emotions that marked his departure from Washington.

The former president, nevertheless, was provided with a special switchboard and was prepared to receive telephone messages from former Secretary Mills and other of his former financial aides in Washington.

Richey told newspaper men that Mr. Hoover intended to deal only with personal matters here, but it was learned authoritatively that one reason for the cancellation of his passage to Panama and the Pacific coast was a desire to remain in the east if his counsel might be desired.

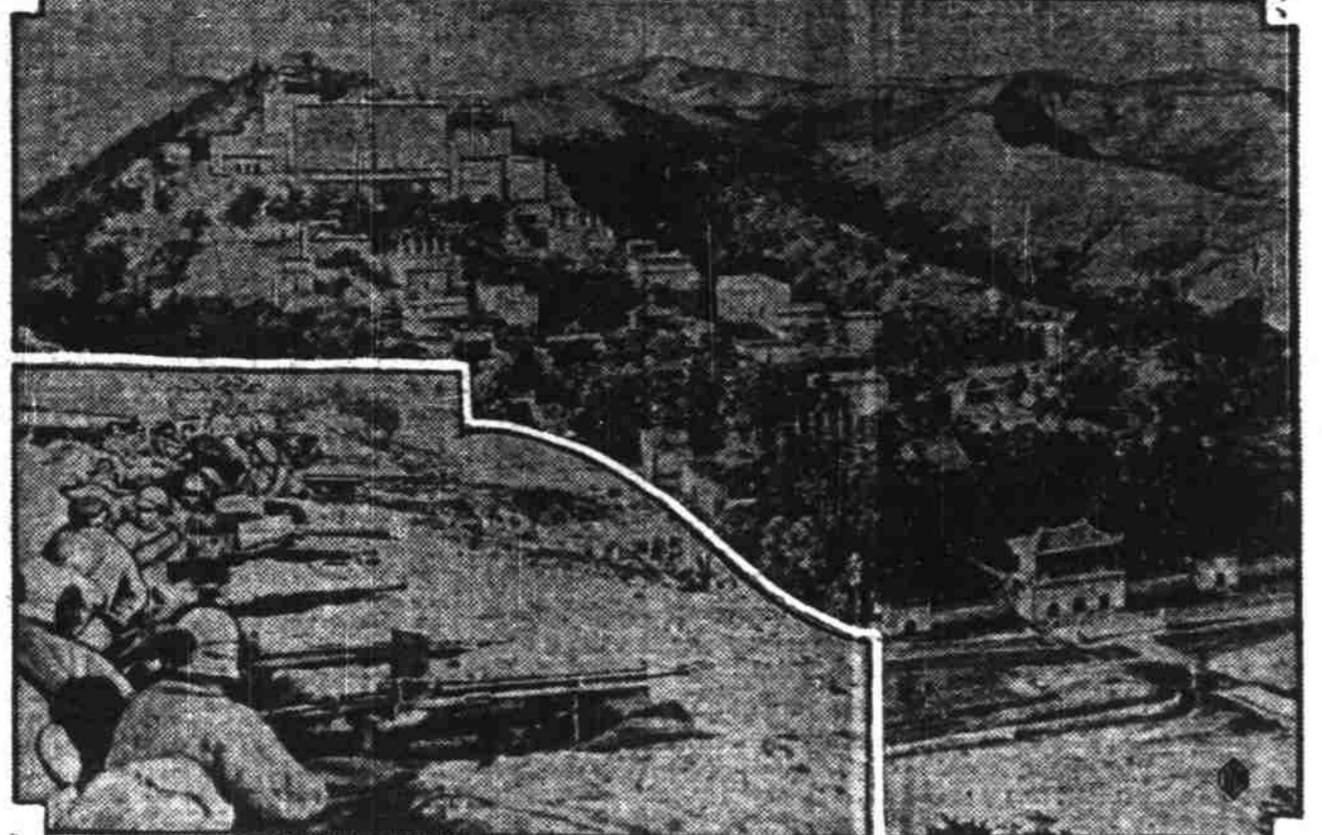
## CABINET SWORN IN ON INAUGURAL DAY

WASHINGTON, March 4—(AP)—Another precedent-shattering move by President Roosevelt tonight brought his cabinet into full command by the government just a few hours after he himself had taken the oath.

Moving with a bold stroke, the new chief executive sent his nominations to the senate and they were confirmed at once, despite some discussion of the private stockholdings of William H. Woodin and reference to Harold L. Ickes' former affiliations with the republican party.

Then, immediately after he left his place in the court of honor reviewing the inaugural parade, Mr. Roosevelt called his ten ministers to his side and had them swear. Justice Benjamin N. Cardozo of the supreme court administered the oaths.

## Jehol Capital Taken by Japanese



Here is a general view of part of Jehol City, the native name of which is Chengteh, captured by the Japanese Saturday. On the hill top in center is the Putala, the Great Tibetan Temple, built near the Palace of Jehol by the Emperor Chien Lung. This photo was made from the back wall of the Palace grounds. At left is a scene from the battlefield in Jehol, showing Chinese troops who are fighting the Japanese advance on a front of over four hundred miles.

## CAPITAL FALLS BUT CHINESE BATTLE ON

### Main Defense Isn't Shaken; Governor Tang Sought, Declared Traitor

PEIPING, March 5—(Sunday)—(AP)—Dominating Jehol province because of their occupation of the capital, Jehol city, Japanese forces have planted their flags along the great wall of China.

General Tang Yu-Lin, governor of Jehol, whose defense collapsed, today was a fugitive at Laotung-Hsien. His life is threatened if he crosses the great wall—the southern boundary of Jehol—or equally in danger if he falls into the hands of the invading Japanese.

General Tang's flight was regarded here as treachery and Marshal Chang Hsiao-Liang, north China war lord, issued an order for the governor's arrest on a charge of desertion.

It was said here today that Marshal Chang is determined the governor's troops must redeem his promise to fight to the finish and that measures were being taken to reorganize them.

It was also understood that groups of Marshal Chang's troops continued to fight desperately today. Portions of his army near Koupeikow pass are being provisioned by a supply "train" of rickshaws from Peiping. These carts last night traveled over the mountainous country without pause.

Chinese authorities, including Marshal Chang's headquarters, admitted that party of 128 Japanese soldiers took possession of Jehol city and that another small party of Japanese had pushed southwards to a spur of the great wall.

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## Concern Felt For Cermak; Lung Tapped

### MIAMI, Fla., March 5—(Sunday)—(AP)—Hospital attaches said at 2:30 a. m. (E.S.T.) that Mayor Anton Cermak was spending a "restless night."

At that hour the mayor's respiration was 28. Hospital attendants said he apparently was in some pain, but added his general condition had not changed.

His physicians had retired and left word to be called immediately if he showed any change of condition.

MIAMI, Fla., March 4—(AP)—Mayor Anton J. Cermak tonight was removed to the operating room of Jackson memorial hospital where his lung cavity was tapped for pus from pneumonic infection.

To the family, anxiously gathered in the corridor of the administration building leading to the operating room, State Senator Richey Graham, son-in-law of Cermak, said "they didn't find anything." He did not elaborate.

## FRESHMEN WIN IN ANNUAL SONGFEST

### 'Moonlight Serenade' Takes Prize; Juniors to Leap In Millrace Monday

Thrilled, hilarious freshmen thronged to the stepped platform in the Willamette university gymnasium last night to sing their Freshman Glee song for a second time—sign that they had won the most coveted interclass honor of the year. "Moonlight Serenade," their winning song, excelled particularly in its musical score, according to the judges' decision.

Second place went to the senior class, third to the sophomores and fourth to the juniors. The third-year students, as a result, will take to the millstream after the chapel hour tomorrow forenoon. The chapel program will be devoted to the traditional parodying of the losing songs.

The freshmen surprised the audience, that filled all available seating on the main floor and in the balconies, by presenting a huge, four-layer cake to the class of 1912, originators of the Freshman Glee tradition. A. A. Schramm accepted the cake for the alumni of '12 and in turn offered it to the freshmen if they should win.

The cake was carried slowly into the gym auditorium by freshmen boys while the students and alumni sang their alma mater, "Old Historic Temple," accompanied by the Waller hall organ, connected by remote control as a feature of the juniors' song.

Competition for first and second places was close. The judges scored the classes as follows: Freshmen 1072, seniors 1069.

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## GERMANY TO VOTE BUT HITLER STAYS

BERLIN, March 4—(AP)—Germany tomorrow engages in the strangest election since the founding of the republic in 1918.

The citizens have been asked to pass judgment upon a new orientation of German politics, yet the government parties and government leaders have used every opportunity to tell the public that no matter what verdict the ballot will indicate, Germany's new political course which began January 30 with the ascendency of Chancellor Adolf Hitler remains unchanged.

The latest compilation of reports from various parts of the republic showed that seven persons were killed in political disorders incident to the final day's campaign.

The government's position was clearly formulated by Ernest Oberfohren, reichstag floor leader of the German nationalists, who said:

"This election will not decide whether the national government remains. It will continue in any case."

"If the government obtains the necessary 51 per cent, this percentage will be used to adjourn the reichstag after it has empowered the government to work undisturbed for several years."

## MOTT LEAVES FOR WASHINGTON TODAY

James Mott, new congressman from this district, plans to leave tonight for Washington, D. C., to place himself in readiness for the convening of a special session of the congress. Up to a late hour last night he had received no official notice of the day congress will convene.

He will go east by train unless he hears today that congress begins early this week. In that event he will probably take an airplane east. Mrs. Mott and the children will remain in Salem until the present term of school is over.

W. C. Hawley, the former congressman from this district for 25 years, and Mrs. Hawley will be in Washington for several more weeks. They are expected home late in March.

## Brother Can You Cash Check? Now General Byword

SEATTLE, March 4—(AP)—Washingtonians did business by check and credit today—the second of their three day bank holiday.

The Washington Trust company of Spokane was believed the only institution in the state which opened for "business as usual" with no restrictions on withdrawals.

"Brother, can you cash a check?" became the byword in many cities, as business houses accepted checks but gave other checks in exchange when the original check exceeded the value of the purchase.

## Old Age Pension, Higher Income Levy Pass Senate

Moving swiftly, the senate yesterday passed the important old-age pension bill and adopted a heavy tax on incomes, both measures having previously passed the house.

The income tax measure had the approval of the state tax commission. The new tax rate begins at two per cent on the first \$1000 of taxable income and increases to seven per cent on all taxable income in excess of \$6000. The maximum tax rate under the existing income tax law is four per cent. Single persons are exempted under the new law in the amount of \$800, married persons \$1500 and dependents \$300.

Senator Chisnook declared that the proposed amendments had received careful consideration and would raise between \$600,000 and \$700,000 annually in excess of the amount returned under the existing law.

"This is just another step to add to the burdens of the taxpayer," Senator Bynon said. "We

## Three of Police Autos Will Have Radio Equipment

At least three city police cars here will be equipped with short wave radio receivers by Wednesday, it was announced at headquarters last night. Until the Salem department's transmitter is installed, the prowl officers will use the receivers to pick up reports from Portland police.

Delay in starting construction of the transmitting station has been occasioned by extra time required in obtaining a license from the federal radio commission. It is expected the station will be placed in operation by the end of the present month.

## SPEEDING CHARGED

Louis C. Lorenz, 1850 North 21st street, was arrested last night on a charge of speeding, city police reported.

## CURB ON BANKS PREVAILS OVER ENTIRE NATION

### Delaware Last to Fall in Line; Some Open With Withdrawal Limit

### National Legislation Held Imminent; 50 per Cent Guarantee Talked

WILMINGTON, Del., March 4—(AP)—Delaware, the last of the nation's 48 states not under some form of banking restriction, declared a bank holiday tonight, effective Monday and continuing "until further notice."

(By the Associated Press)

Banks in each of the 48 states were closed under holiday orders or were operating under restrictions Saturday night as financiers, economists and government leaders laid plans to bring America back to financial normalcy.

Predictions gained strength in Washington that a special session of congress would be called promptly to thresh out the entire situation. Industrial and financial leaders everywhere expressed confidence that national legislation would overcome the emergency.

Reports also were current in Washington that Herbert Hoover and Franklin D. Roosevelt had discussed the possibility of a 50 per cent federal guarantee of bank deposits.

Although the restrictions prevailed in all 48 states and the District of Columbia, there were some exemptions—even in states having banking holidays—where financial business was conducted as usual.

**One Bank Closed By Using Troops**

In only one instance was a bank reported closed by force. That was in Enid, Okla., where national guardsmen enforced Governor William H. Murray's mandatory closing proclamation on the First National.

The first thought of business in general was to provide sufficient cash for payrolls and routine expense. Although nine-tenths of business normally is transacted by check and checking was impossible everywhere—no cities reported serious curtailment in commercial and industrial activities.

The New York stock exchange (Turn to page 8, col. 1)

## SESSION DRAGS ON TO ANOTHER WEEK

### Solons Confident Calendar May Be Cleaned up by Wednesday Night

Legislators, tired from the longest continuous term at the capitol any Oregon assembly ever held, were ready and anxious to call their job ended yesterday but the amount and importance of unfinished work restrained them. The senate adjourned at 1 o'clock after cleaning up its calendar; the house dragged on until 3 p. m., then adjourned until 10 a. m. Monday.

Members of both houses were confident the calendars could be cleaned up by Wednesday night although a hard drive will be necessary to finish such a schedule.

The state Monday will go into the question of a constitutional convention in Oregon to vote on the 18th amendment. Out from committee will come a report on the general sales tax and this moot question will doubtless be a special order for Tuesday.

The upper assembly will probably engage in a considerable fight over house amendments to the Thomas utility bill.

Scores of little bills yet remain to be handled and to sandwich these in between the major legislative matters yet undetermined will keep both assemblies operating at full speed if adjournment by Wednesday is realized.

## CURTIS ENDS LONG OFFICIAL CAREER

WASHINGTON, March 4—(AP)—Four full decades of brilliant political career ended at noon today for Charles Curtis of Kansas, who retires into private life along with his sister, Mrs. Dolly Gann, provocateur of the memorable tea-table tempest over social precedence.

From official hostess to the vice-president, Mrs. Gann will turn back to being Mrs. Edward Everett Gann, wife of a capital attorney, but her love of politics will keep her alive in republican women's affairs.

Curtis—who haltingly reminded the senate today in retiring that Claude A. Swanson of Virginia, Roosevelt secretary of the navy, was the only man present in the house when he entered there in 1893—is likely to join her in republican party councils.

Of his plans Curtis will say little, but he has three jobs about which to decide by March 15.

## Insurance Will Be Issue Before Council Monday

Insurance probably will prove a bone of contention at the city council meeting tomorrow night. A special committee will report on whether or not the city shall purchase its insurance from the Salem Insurance Agents' union or from individual agents as proposed by Alderman O. A. Olson who last meeting sought to buy liability insurance for city employees from a single agent.

The ways and means committee also may have a report on the feasibility of the city's carrying its own insurance, as suggested by Alderman S. A. Hughes, when the insurance discussion waxed hot at the last meeting.

## Two Small Girls And Stepfather Burned to Death

KANSAS CITY, Kans., March 4—(AP)—Two small girls and their stepfather were burned to death in a fire which destroyed a frame cottage near here tonight. Eugene Roberts, 55, the stepfather, perished in an attempt to rescue the girls, Goldie Sizemore, 8, and Fay Sizemore, 10.

Cause of the fire was undetermined.

## Extend Bank Holiday Here Due to General Situation in Nation

### Oregon Institutions to Remain Closed Monday; General Basis of Procedure on Reopening Agreed Upon at Conference Here

### DEVELOPMENTS IN LOCAL AND GENERAL BANK STATUS

Governor Meier proclaims Monday as fourth consecutive legal holiday.

Bankers from all parts of the state agree to ask further extension as needed and to ask state banking board to impose uniform, mandatory restrictions on withdrawals thereafter.

State bank association names advisory board of five to confer with state banking board regarding policy for future.

Developments in Oregon, bankers agree, will largely depend upon national action.

Salem banks closed throughout Saturday and will remain closed Monday. Bankers agree to permit safe deposit use and to make use of change facilities of bank optional with each institution.

Merchants here feel effect of bank holidays although downtown streets are busy. Checks on local banks taken by most stores for goods but checks for cash not received.

## SALEMAN AND THE ENTIRE STATE WERE IN THE GRIP OF A BANKING SBLIZARD

Yesterday which had swept the entire nation during the night hours of Friday and closed the central banks of New York and Chicago on Saturday. Failure of the key banks in these centers to open precipitated the closing of federal reserve banks which forced an embargo on gold exports and stopped increasing internal runs on currency and gold. Stock and commodity exchanges in both eastern metropolises were forced to close and the entire upheaval left Oregon's banks without any option in the total suspension of business here yesterday. Salem took the newest development calmly and the general expression centered on the view that the new national administration would shortly be able to effect legislation to remedy the existing stringency.

Meanwhile bankers from all sections (Turn to page 8, col. 5)

## HIGHWAY BOARD TO HALT STATE LOANS

### Two Millions From Bankers Also Unlikely Due to Financial Crisis

Formal notice from the state highway department to the state treasurer that continued loans from road funds cannot be made to the general treasury of Oregon, will be made Monday.

It is also expected that a \$2,000,000 loan for Oregon arranged for a month ago cannot be made due to existing banking conditions.

These factors combined with the scant amount of general fund cash, were expected yesterday by state officials to place Oregon on a warrant basis within a few days.

A decade for Oregon has paid cash and issued no warrants that were not at once redeemable. Under legislation passed this session and now law, under the emergency clause, the state can issue interest bearing warrants at not to exceed five per cent.

Failure of the state highway commission to sell \$1,500,000 of its refunding bonds last week hurried the financial stringency of the state government is experiencing. If funds cannot be obtained by April 1, the state highway department will probably default on \$1,500,000 of its obligations.

## Extend Holiday For California

SACRAMENTO, Calif., March 4—(AP)—Governor Rolph announced today he will extend the California bank holiday through Monday, Tuesday and Wednesday by the senate and the legislature to complete action on legislation regulating limited banking business in this state.

## Wets Persist in Effort For State Prohi Repeal

The "wet" guard at the state legislature may die; it never surrenders.

Balked for the moment by the senate's failure to approve the Beckman beer bill, opponents of prohibition in Oregon moved again yesterday to send new measures to the upper house, hoping that assembly would approve them.

Representative Hall introduced a resolution calling for a statewide vote on repeal of the state's constitutional amendment against prohibition. In their place, Hall would substitute this amendment:

Sec. 28. Whenever the legal electors of the state of Oregon, through exercise of the initiative and referendum powers conferred by this constitution shall so determine, no intoxicating liquor shall be manufactured, transported or sold within this state and no intoxicating liquor shall be imported into this state for beverage purposes, and the legislative assembly of the state of Oregon, or

## PARLEYS ON BANK AID SET

### Special Session Call for Early This Week Talked; Legislation is Already Being Drafted

### Guarantee of Percentage of Deposits Discussed Along With Gold Embargo, Other Drastic Remedies

WASHINGTON, March 4—(AP)—President Roosevelt tonight flung the full powers of his new office into a bold movement to re-voice a fear-stilled national credit which he earlier blamed directly upon the "stubbornness" and "incompetence" of "the rulers of the exchange of mankind's goods."

From the busy White House went out a call by the new secretary of the treasury, William H. Woodin, to the officers of the federal reserve system and national business leaders to meet with him here tomorrow morning.

Aroused and alive to "the dark realities of the moment," President Roosevelt summoned congressional leaders to meet with him tomorrow to decide definitely upon a date for a meeting of the new congress. A call will go forward tomorrow night for this extraordinary meeting expected to begin by mid-week.

**Demand Leaders in Bank Field Assiduous**

Emergency legislation is being drafted to combat the situation. Very apparently also, the Roosevelt administration is going to demand that the leaders of the almost stifled banking business do some acting.

The fact that Cordell Hull, secretary of state, has been in the conference on the financial situation is regarded as indicating definitely that a gold embargo has been considered. However, it was stated authoritatively tonight that such an action is not regarded as necessary. Also, it was said that there is no cause (Turn to page 8, col. 3)

## FOUR OREGONIANS SEE INAUGURATION

WASHINGTON, D. C., March 4—(AP)—Four visitors from the distant state of Oregon saw President Franklin D. Roosevelt take the oath of office today.

Seated in the inaugural grandstand as a guest of Representative Charles H. Martin were the four who made the 3000 mile trip to see the new executive take the oath. They were Mrs. James Freights and daughter, Raymond B. Wilcox and James McGinn, all of Portland.

Mrs. Freights found special satisfaction in seeing Mr. Roosevelt become president in view of her activity in the Oregon democratic campaign last fall. She is president of the Jackson club, democratic women's organization of Portland.

The Oregonians tonight took part in the busy social activity of the capital incident to inauguration day.

The four were present not only for the inauguration of President Roosevelt, but were also in the senate chamber to see John N. Garner inaugurated as vice president and to witness the swearing in of new United States senators.

## The Day in Washington

(By the Associated Press)

Franklin D. Roosevelt was sworn in as president with John N. Garner, as vice-president and 15 new senators—all democrats—assumed office, giving the party control of congress.

President Roosevelt's cabinet appointees were confirmed by senate and held their first meeting with the executive.

President revealed special session of congress may begin early this week.

Smith cotton bill and independent action appropriation bill received "pocket votes" from the retiring President Hoover.

William H. Woodin, new treasury secretary, called special Sunday meeting of the federal reserve board and financial and industrial leaders.