

## MOTOR LICENSE SCHEME UPSET BY SENATE ACT

### Amendment to Lower to \$3 Voted in Committee, Bill is Held up

### Graduated ad Valorem tax Added Instead of Gas Tax Increase, Plan

After amending the Dunne automobile license fee bill in committee of the whole to provide a \$3 flat fee with an additional graduated ad valorem tax, instead of a \$5 flat fee with one cent per gallon tax on gasoline, the senate Monday night recessed the committee until 10 o'clock this morning without making final report.

The amendment was offered by Senator Allen after he had spoken for more than 30 minutes in opposition to the bill reported out by the roads and highways committee. The motion to go into a committee of the whole carried by a vote of 18 to 14, but recess was taken before the amendment formally had been injected into the measure.

In addition to the annual \$3 flat automobile license the Allen amendment provides for an ad valorem tax of two per cent of the value of the motor vehicle.

The Allen amendment contained several of the outstanding features contained in his measure which was introduced in the house early in the session and later laid on the table.

The committee bill was explained by Senator Dunne, chairman of the senate roads and highways committee. He said the measure had been given careful consideration and that it was not the idea of any one man.

Dunne said the bill had been so drafted that it would care for the maintenance of the existing highways, retire outstanding bonds and interest, and defray the administrative costs. Further provision was made whereby the measure would return to the counties approximately \$1,600,000 a year.

The measure was opposed by Senator Spaulding who said the proposed \$5 annual license fee and additional one-cent gasoline tax would increase rather than reduce the cost of operating the smaller machines. "This is not the kind of a license reduction the public has demanded," Spaulding said.

Spaulding charged extravagance to the state highway commission and referred particularly to the maintenance of parks, cost of road construction, and the conduct of its engineering department.

## GOVERNORS UPHOLD PRESIDENT'S STAND

WASHINGTON, March 6.—(AP)—From many state capitals proclamations are to be issued Wednesday calling for support of the "president of the United States and our institutions."

At least the governors of 25 states and representatives of 12 others meeting at the White House adopted a resolution to that effect proposed by a number of prominent men. They included Alfred E. Smith, Newton D. Baker, Dr. Nicholas Murray Butler of Columbia university, Daniel Willard, president of the Baltimore and Ohio; William Green, president of the American federation of labor, leaders of farm organizations and church dignitaries.

The resolution was proposed to the conference by a non-partisan committee of which Rear Admiral Richard E. Byrd is chairman.

Other signers of the letter were Louis J. Taber of the National grange; Edward O. O'Neal, of the American Farm Bureau federation; Cardinal Mundelein; Doctor Harry Emerson Fosdick; Rabbi Stephen Wise; E. L. Harriman, president of the United States chamber of commerce and Walter Lippman, writer.

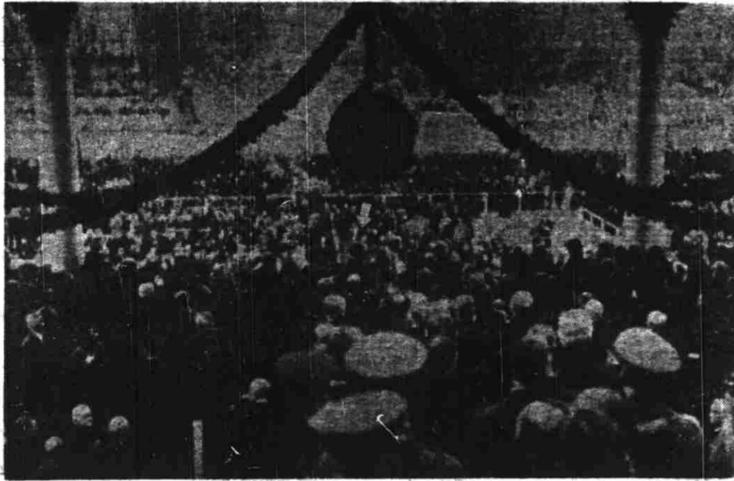
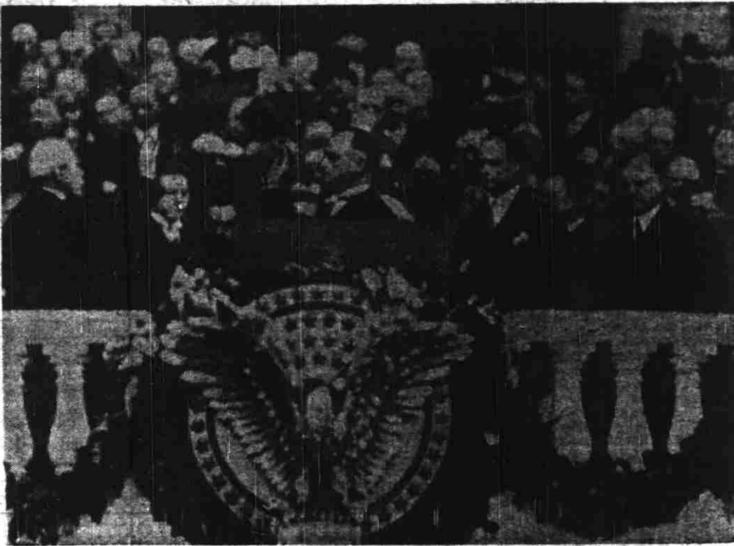
## Late Sports

PORTLAND, March 6.—(AP)—Harold Heibert of St. Helens, Ore., defeated Thor Jensen of Elkton, Ore., two falls out of three in the main event of tonight's wrestling card here. Heibert weighed 169, a pound more than Jensen.

Jensen took the first fall in 10 minutes with a leg hammerlock. Heibert won the second in six minutes with a body slam and the third four minutes later with another body slam.

Joe Reno, 157, New Orleans, defeated Bunnie Martin, 160, Seattle, two falls out of three in the semi-windup. Herb Berguson, 145, Portland, won on a foul from Jess McCann, 145, Portland, in the opener.

## New National Leader Takes Helm



Telephotos from Washington to west coast show, above, Chief Justice Hughes administering oath of office to Franklin D. Roosevelt who thereby assumed the presidency; below, general view of the capitol plaza as President Roosevelt delivered his inaugural address.

## City Insures Mules Though It Hasn't Any

Although the city government here has owned no horses or mules for over nine years, taxpayers have been contributing right along for insurance on the work animals and their feed, it was brought out at the council meeting last night. Alderman Paul R. Hendricks made this announcement, amusing to the full gallery, largely composed of insurance men, in stating that the Salem Insurance Agents' union had recently made a survey of the city's insurance needs.

The council turned its brief session into a public hearing on the question of whether the insurance agents' union or individual agents should write a blanket liability policy protecting city employees. The final result was that the special committee report, favoring the agents' union, was adopted with the understanding that the proposed policy should be submitted for inspection of the aldermen.

## MOTOR BURNS

Firemen were forced to break into the Standard service station at State and Cottage streets last night to get at a fire in the compressor motor. The motor was destroyed by fire, starting from a short circuit, but no other damage resulted.

## Change Depots Opened to Accomodate Public Here

With the approval of the federal reserve bank the three banks of Salem established change depots in the Hawkins and Roberts offices, the former Bank of Commerce location. The offices were opened yesterday and will continue during the banking holiday from 11 a. m. to 2 p. m. and will make change for patrons. They will not cash checks on any bank but will exchange currency and coinage for equivalent sums of lower or higher denominations as desired. No gold or gold certificates may be paid out.

The banks have also agreed to permit access to safety deposit boxes from 12 to 1 each day. The bank rooms will not be thrown open to the public but during the noon hour an employe will stand at the entrance and admit the holder of a safe deposit box or his duly authorized deputy.

The change depot did a brisk business yesterday during the hours it was open and relieved

## PRIMITIVE AREA'S BOUNDARY TALKED

### Salem Chamber Agrees With Other Agencies; Dock Progress Noted

The Salem chamber of commerce board of directors, at the monthly meeting Monday night, lined up with the Albany chamber and the Santiam Fish and Game association in a joint petition to the United States forest service, asking that the primitive area to be set aside in the Santiam National forest be bounded on the west and south by the North Santiam highway.

B. E. Sisson, president of the chamber, reported on the joint meeting recently held in Scio in which all organizations interested, including the Marion County Game Protective association and the Chemeketas, endorsed this action.

William P. Ellis, director of the legislative department, reported that the chamber, in cooperation with Mayor Douglas McKay and the city attorney is preparing an application to the Reconstruction Finance corporation, asking for \$75,000 for the construction of a municipal dock in Salem.

Mr. Ellis also reported that the bill for improvement of the Willamette river north of Salem, endorsed by the chamber, would come up for hearing this morning in the legislature.

As a result of a meeting held

## Justice, Else Revolution is Banks' Threat

MEDFORD, March 6.—(AP)—In a protest meeting launched by the so-called "Good Government league" against two county commissioners, Llewellyn A. Banks, honorary president of the league, declared in a speech from the courthouse steps:

"I have written the governor, the supreme court, the state treasurer and other officials that unless justice is restored I will take the field in revolution."

About 1000 persons witnessed the demonstration which was orderly.

Banks led the organization of the league several months ago after protesting against the actions of several county officials. Mrs. Henrietta B. Martin, president of the league, and County Judge E. H. Fehl, a Banks' partisan, also made talks. The only disturbance was caused by a group of high school students who heckled a speaker.

After the statement by Banks, Mrs. Martin proposed the group visit the offices in the courthouse. "In good order," Banks insisted. "Always in good order. That is the way the Good Government league does things."

## Municipal Water Plans Furthered By Council's Act

The city last night took another step toward acquiring a municipal water system when it adopted a resolution introduced by Alderman S. A. Hughes, agreeing to terms of a bill before the state legislature directing the state board of control to contract with the city for purchase of water for state institutions. The contract would be made in event the city obtains a gravity water system supplied from the North Santiam river.

## Governor Extends Oregon's Holiday

Governor Julius L. Meier yesterday declared additional holidays for this state, extending the time when no business of a legal and financial nature can be transacted to Thursday, March 16, at midnight. The holidays coincide with the national holidays called Sunday by President Roosevelt. Court business cannot be transacted in the state until the holiday period expires. Local lawyers agreed that such a provision was wise inasmuch as debtor and creditor relations could not be normal under existing circumstances.

## SENATE BACKS POPULAR VOTE ON PROHIB LAW

### Gouley Bill for Referring 18th Amendment Given Approval 18 to 12

### Change From Former Stand Based on Fact Special Election Unneeded

The senate late Monday adopted the Gouley bill which calls for a statewide vote and convention on the proposition of continuing or repealing the 18th amendment to the United States constitution. The measure differs from the Upton bill, defeated earlier in the session, in the fact that a special election is not called for, the matter of selecting delegates to the convention coming up at the next general or special election held in the state. Vote of the senators was 18 ayes, 12 nays.

Members who switched their position explained their votes on the fact that the Gouley bill did not call for the expense of a special election. Proponents of the bill contended it was only equitable, in light of recent congressional action, to permit the citizens of Oregon a vote on the prohibition question. Opponents generally argued that prohibition was better than saloon days and that no opportunity should be allowed for the return of the legalized liquor traffic.

Those voting for the bill were Brown, Bynon, Chinook, Corbett, Duncan, Dunne, Fisher, Francis, Goss, Hazlett, Hess, Lee, McFadden, Spaulding, Strayer, Upton, Yates and Kiddie.

Those against were Allen, Booth, Burke, Dickson, D. U. n. Jones, Mann, Staples, Wheeler, Williamson, Woodward and Zimmerman.

The Gouley bill which passed the house by a large majority now goes to the governor for action.

The measure provides for the election of 116 delegates to a statewide convention where the matter of repealing or continuing the 18th amendment shall be voted on. Delegates will be chosen by counties, each county having one delegate for each 10,000 population or fraction thereof. Delegates shall state on the ballot whether or not they favor repeal of the 18th amendment and shall pledge themselves to vote as their platform dictates.

## CERMAK'S BODY IS TAKEN TO CHICAGO

MIAMI, Fla., March 6.—(AP)—A bullet intended for President Roosevelt brought death to Mayor Anton J. Cermak of Chicago in a hospital here today and about ten hours later Giuseppe Zangara, the assassin, was indicted for first degree murder.

The mayor died at 6:47 a. m. after 19 days suffering with the wound and many complications it caused. Almost immediately the date county grand jury met and began hearing testimony on which it based the murder indictment returned about 5 p. m.

A special train bearing the mayor's body left here at 8 p. m. The train is due in Chicago Wednesday.

The mayor's body was borne to the train in a casket headed by uniformed units of the Mahi Shrine Temple and the American Legion drum and bugle corps.

About 100 Chicago friends accompanied the family to the city where Mayor Cermak rose from an immigrant boy to chief executive.

## Moratorium on Patronage Also Roosevelt Plan

WASHINGTON, March 6.—(AP)—To his modified banking holiday, President Roosevelt today added another, this one with fewer restrictions.

It proclaimed a moratorium on patronage for the duration of the present financial emergency. The chief executive let it be known that he had no time for the consideration of appointments now and none will be made except those that will facilitate his economic program.

## Lumber Mills at Dee Mill Reopen

PORTLAND, Ore., March 6.—(AP)—W. J. Eccles, general manager of the Oregon Lumber company announced tonight that the company's mills at Dee, Ore., near Hood River will open tomorrow morning.

The mill, with a capacity of 1,000,000 feet, will operate one ten-hour shift daily, and about 50 men will be employed. The company's logging camp will be opened as soon as snow is off.

## Limited Banking to be Allowed Today With New Deposits Kept Separate; Scrip Issue Looming

## Oregon Institutions Due to Open Today

### Issuance of Clearing House Certificates Will Start as Soon as National Plan is Known; Meier Order Renewed

PORTLAND, Ore., March 6.—(AP)—Banks throughout the state were scheduled to reopen tomorrow under a restricted plan of operation, and with the prospect that scrip would be brought into general use as an emergency medium of exchange.

The Portland clearing house was ready on short notice to issue scrip, but was awaiting word from Secretary of the Treasury Woodin as to how this would be done. Bankers here appeared to entertain some doubt late today as to when such issuance would be made possible. It was generally believed, however, that scrip would be in circulation some time tomorrow.

In the hope that Secretary Woodin's plan might be ready during the night, bank officials left their phone numbers with a clearing house "sentinel," and were prepared to meet immediately, no matter what the hour, to speed the scrip plan on its way.

Governor Julius L. Meier today proclaimed a continuance of the bank holiday in this state through Thursday, in conformity to the national bank holiday. It was said, however, that the state hold (Turn to page 2, col. 1)

## THOMAS IN FAVOR OF SENATE'S BILL

### Upper House Version Liked Because it Adds Some To Present Power

Utilities Commissioner Thomas yesterday appealed in a letter to Senator Burke for the passage of Senate bill 19 with the amendments made by that body and without the additional amendments made by the house.

"It is now apparent that the legislature is not willing to give the commission the authority requested in the original bill," read the Thomas letter. "The house bill weakens the present law and gives nothing in addition; the senate bill provides some additional powers."

"While I feel that ultimately the commission must be given complete supervision of the bud-

(Turn to page 2, col. 1)

## City Employees Wage Reduction Rushed Through

Suspending rules, the city council last night rushed through to final passage an emergency ordinance revising the wage scale of employees of the street department.

The maximum salaries and wages were fixed as follows: Dog catcher \$90 per month; street department foreman \$125 per month, plant man \$110, truck and tractor drivers and flusherman \$4 per day; rakers, sweepers and common laborers \$3.50 per day.

## Clearing House "Money" Use in 1907 is Recalled

It was the night of October 28, 1907, that Governor Chamberlain proclaimed a five-day holiday in this state to enable the banks of the state to obtain the needed balance from eastern banks.

which had temporarily suspended shipments of coin or currency because of the stringency there. He continued the holidays from time to time through December 7.

A study of the files of the Statesman of 1907 shows that while the incident caused quite a stir at the time the holidays were announced, after a few days there were only limited references to it. The Salem banks continued to handle local business as formerly but accepted out of town items only for collection.

The holidays were ordered after a delegation of bankers from Portland had waited on Gov. Chamberlain and requested the action.

While clearing house certificates were issued by many cities Salem did not issue any of its own at that time. Portland issued "asset currency" based on warehouse receipts for wheat, salmon and other marketable commodities.

## SAVING IN BUDGET SHOWN IN REPORT

### Appropriations 4 Millions Under 1931 Figure by Ways and Means

Though legislative appropriations from the general fund of Oregon for 1932 and 1933 recommended by the ways and means committee exceeded the budget suggested by Governor Meier, they were more than \$4,000,000 smaller than the similar appropriations made two years ago for 1931 and 1932, according to a report placed on legislators' desks Monday.

The committee has approved sums aggregating \$5,564,256, as against \$9,755,048 for the previous biennium. The governor had approved appropriations of \$5,435,963, which was considerably less than the aggregate requirements recommended by Henry M. Hansen, state budget director.

Scheduled no budget appropriations recommended by the joint ways and means committee for the current biennium totalled \$284,390. The largest of these appropriations was \$150,000 for use of the state emergency board. Any money left in this fund at the expiration of the biennium will revert to the general fund.

During the past two years no money was used by the state for emergency purposes.

The second largest no-budget appropriation was \$46,115 to pay a large number of miscellaneous claims filed with the ways and means committee.

## CITY OFFICES OPEN FOR USUAL SERVICE

With the exception of the treasurer's cashing warrants, city officers here were conducting business as usual yesterday. Mark Poulson, municipal judge and recorder, handled traffic ordinance violation cases and the other affairs of his office as customary. Building Inspector E. C. Bushnell continued to issue construction permits, and City Treasurer C. O. Rice accepted payments on licenses and assessments.

While payments were lower than usual, Treasurer Rice reported over \$300 in checks for licenses and street assessments. Money for cashing warrants was tied up in the banks.

## The Day in Washington

By The Associated Press

President Roosevelt relaxed national banking holiday to open institutions for new business and emergency payments on foodstuffs.

Governors conference was told by President Roosevelt a central clearing house for relief is to be established.

Funeral services for Senator Thomas J. Walsh were held in senate chamber and attended by President Roosevelt.

Senate democrats renamed Robinson, of Arkansas, floor leader and agreed to caucus rule to support president's measures.

Unemployed demonstration ended in broken heads and jail incarceration.

President Roosevelt held up appointments during financial emergency, after senate confirmed six nominations.

## BAN LOOSENEED AS ROOSEVELT SPEEDS PLANS

### National Certificate Plan One Possibility; Policy To be Decided Soon

### President Turns to Draft Of Measures to Place Before Congress

WASHINGTON, March 7.—(AP)—Long hours of unremitting labor at the White House and treasury last night brought a broad relaxation in the Roosevelt banking plan permitting the banks to reopen for new business and easing the credit strain for the payment of payrolls and foodstuffs.

Buttressed by public acclaim for his drastic step to preserve the nation's gold supply and protect depositors from hoarders, President Roosevelt and his aides had when they retired virtually reached a decision on a method for establishing a temporary medium of exchange through certificates backed by sound bank assets.

A tentative plan to establish a state corporation in New York authorized to issue scrip against such assets and deliver it to creditors and depositors on a pro rata basis received treasury approval.

The treasury attached a reservation that should it announce a national certificate program before Wednesday morning the state corporation proposal would be laid aside. This national plan awaited an early morning conference.

Mr. Roosevelt turned to the drafting of his emergency legislative program to be presented to the special session Thursday on the last day of the four-day banking holiday.

WASHINGTON, March 6.—(AP)—In brief, the eight regulations announced yesterday (Turn to page 2, col. 1)

## CHINA PROPER TO BE DEFENDED NOW

PEIPING, China, March 6.—(AP)—China's defeated army, driven back from Jehol city, has formed a defense line against a possible invasion of China proper and will make its last stand 20 miles south of Koupeikow, Marshall Chang Hsiao-Liang's headquarters said today.

The town of Koupeikow guards a gate through the great wall 65 miles northeast of here and 50 miles south of Jehol city.

Fighting still continues in the province of Jehol, the Chinese reported. There was an engagement at Hsifengkuo Pass, 45 miles southeast of Jehol city, and another near the town of Welchang, near Chihfung.

CHINCHOW, Manchuria, March 6.—(AP)—A force of 700 Chinese was wiped out yesterday, Japanese headquarters announced this evening, in an engagement near Welchang, 55 miles southwest of Chihfung. The Japanese lost 19 dead and 29 wounded.