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WEATHER
Unsettled with occasional
rains today and Saturday;
Max. Temp. Thursday 48,
Min. 28, river 6.6 feet, vari-
able winds.

EIGHTY-SECOND YEAR

Salem, Oregon, Friday Morning, March 10, 1933

No. 298

Record Legislative Session Terminated Early This Morning

Closing Hours Hectic As Thomas Bill is Fought Over

Special Election set For July 21 Over Sharp Protest

The 37th legislative session, by seven days the longest in all the years since Oregon became a state in 1859, became history at 1:21 o'clock this morning. Following historic precedent, clocks in both houses were stopped at 5:55 p. m. Thursday and adjournment, when time, was said to be 6 o'clock March 9.

Beginning January 9 after a special session which lasted five days, the regular assembly had set 60 legal days, exceeding by one week the 53-day mark of 1931 and being 20 days beyond the limit set by law, the members serving the added 20 days without their legal \$3 per diem compensation.

While frivolity marked the lobby outside the senate and house chambers and singing interspersed the times when the houses were in session, the closing hours were hectic.

In the senate the utility regulators and the opponents of rigid legislation were in a die-hard struggle over the Thomas bill.

In the house Representative Longman led a sturdy but unsuccessful fight to bring the general sales tax bill—which he had so ardently championed before the members a week ago—to a popular vote early in June. Unable to break down the stubborn senate sentiment, that the measure should not be voted upon until the next month, Longman capitulated at 1 p. m. and moved adjournment of the conference committee. (Turn to page 4, col. 8)

ROCKEFELLER HAND IS SEEN IN EVENTS

NEW YORK, March 9.—(AP)—From office boy to president—the entire financial community today was discussing the Aldrich plan for sweeping bank reform, and the name of Rockefeller came often to many lips.

The dramatic arraignment of certain banking and investment methods by Winthrop M. Aldrich, head of the Chase National bank, appeared but one or a chain of incidents showing that at least some leaders in the world of finance are not opposed, but actually in favor of drastic surgery—either in the form of legislation or voluntary action—to remove unhealthy developments.

Aldrich's accession in January to the chairmanship of the Chase bank, was widely interpreted in Wall street as definite proof of the Rockefeller influence in the affairs of this institution, the world's largest bank.

Aldrich is a brother-in-law of John D. Rockefeller Jr., who is the largest individual holder of Chase bank stock.

Legion Protest Aimed at Power Given President

PORTLAND, Ore., March 9.—(AP)—The Oregon state department of the American Legion and volume 25 of the 40 and 8 sent telegrams to the Oregon congressional delegation tonight expressing opposition to the action of congress in voting to President Roosevelt what they described as "dictatorial authority" over veterans' legislation.

State Commander John B. Eakin said their action was in response to a message received from the national Legion headquarters stating that the "whole structure" of veterans' legislation for which the Legion and other veterans' organizations have been working was placed in the president's hands.

Big Emergency Work Program Portland Plan

PORTLAND, Ore., March 9.—(AP)—The Civic Emergency Federation, organization of the unemployed, today presented to the city council preliminary plans for five projects proposed to be built with money from the self-liquidating project fund of the Reconstruction Finance corporation.

The plans were for a municipal bus terminal, a sewage disposal plant, an additional airport, a central parking area and a street light tunnel. Total cost was estimated by the federation as \$8,325,000.

Clem Yeager in Jail on Charge Of Having Still

Clem Yeager, 63, was locked in the county jail yesterday on a liquor manufacturing charge, following arrest by Federal prohibition agents on tip from the sheriff's office. The agents caught Yeager at the still on his place a mile and a half west of Liberty.

A 15-gallon still and mash were taken, but no liquor, as it is said Yeager disposed of his output almost as fast as he made it.

This is Yeager's second arrest on a liquor offense. He will likely come up before U. S. Commissioner Lars Bergsvik today.

SYMPHONY GROUP'S CONCERT TRIUMPH

Near-Capacity Audience on Hand; Gershkovitch's Work Wins Praise

Despite the bank moratorium Salem greeted the second symphony concert presented by the Salem Philharmonic orchestra association with close to a capacity house at the armory Thursday night.

Under the seemingly inspired baton of Jacques Gershkovitch the young musicians presented the delicately imaginative overture to Weber's "Oberon" with excellent understanding of both theme and instruments, and followed this with equal appreciation for its commanding opposite, Tchaikovsky's powerful and compelling Marche Slave, Op. 31.

Another pleasure on the program was the repetition by request of "At Church," another of Tchaikovsky's which was especially arranged for strings, woodwind and horn by Mr. Gershkovitch. It met with the same splendid response from the audience as at its first presentation on the first concert program.

Miss Mary Schultz as concert master of the orchestra in solo presentation of "Berceuse," Cesar Cui, more deeply entrenched her position as an artist of splendid proportion in the minds of her already admiring Salem audience.

Mark Daniels, baritone of Portland, (Turn to page 4, col. 6)

LABISH ONIONS SELL AT 70 CENT FIGURE

LABISH CENTER, March 9.—About six cars of onions were brought here Wednesday for a special block at 70 cents a hundred, or 10 cents higher than the pool price for the first of the week.

Whether the general market in condition to stand the increase, or whether the 70 cent purchases were made to fill a pinch order is not definitely known here.

The 250 cars reported unsold earlier in the week included the entire Oregon crop of which a little more than half remains unsold here, surveys indicate. Sales have been quite liberal within recent weeks.

Narcotic Runners Kidnap Customs Officer, Charge

MEDFORD, Ore., March 9.—(AP)—The victim of a brutal kidnapping attack by narcotic smugglers and gun runners, E. L. Ballinger, United States customs patrol officer from Bellingham, Wash., was found in the woods near the Oregon-California line today, handcuffed to a tree.

Two men in a small blue coupe abducted him near Bellingham at noon yesterday, beat him into unconsciousness, sped with him to southern Oregon and left him, manacled and blindfolded.

THOMAS GIVEN BROAD POWERS IN BILL PASSED

Large Control of Utilities Is Granted but not Full Dictation

Recapture Clause Restored; Commissioner Is far From Satisfied

After a bitter fight which extended almost throughout the entire session, both sides on S. B. 19—the much-discussed Thomas utility measure—composed their differences sufficiently at 1 a. m. this morning to pass the amended measure through both houses.

The bill was taken from the table late Thursday, sent back to committee, ironed out in several respects and finally approved by the upper house. From there it went again to the house and thence to conference.

As the closing hours of the session approached, conferees huddled in committee rooms or in a group in the second floor lobby, battled over each contested point of the bill. Commissioner Thomas sat in on most of the conferences. Amendments agreed to after the conference are:

Larger control over utility budgets is given to the commissioner although not all items can be supervised.

The recapture clause is restored. Cost of investigating a utility is limited to one-half of one per cent of the utility's gross earnings for the prior fiscal year.

"The bill is only a crumb of the regulation needed," Commissioner Thomas commented after the measure had been approved.

Several senate leaders in the utility regulation fight were inclined to view the measure as a constructive one and fairly satisfactory.

Senator Burke said the house had emasculated the bill and that it was worse than the present law.

"If you want to take all the powers away from the utility commissioner you should pass this measure," Burke declared. An inference. (Turn to page 4, col. 7)

HOUSES CONCUR ON AID TO TAXPAYERS

After many amendments and a near-black, the house and senate at 10 p. m. Thursday night concurred in approval of S. B. 75 which waives interest and penalty on all taxes delinquent for 1930 and thereafter.

Taxpayers are given five years to pay these back taxes, the payments spread over 10 equal periods. When the taxpayer makes an agreement to fund these taxes he agrees also to pay eight per cent on the new balances and to pay a two per cent penalty if he fails to pay promptly any one of the ten installments.

This bill was carried by a small majority in the house after a number of members had called the legislation extremely unfair and dangerous.

State Pay Slash Bill is Approved

Both houses late Thursday approved the 5 to 30 per cent wage cut previously agreed upon by the joint ways and means committee for all state officials. The reduction is for the 1933-1934 biennium. The state board of control is authorized to make needed adjustments. Appropriations for all departments have taken this reduction into consideration.

blow from a revolver butt. He was trussed and thrown into the rumble seat which was locked, and the smugglers sped away. He was nearly suffocated, he said, by heat and gas fumes.

Throughout the day and night the bandits drove at high speed. Before reaching the highway checking station in California, just over the line on the Pacific highway, the car stopped and Ballinger was dragged out. He said the men offered him \$2,000 if he would "forget" the case. They threatened him with death if he refused.

The narcotic runners finally decided, however, to manacle the officer to a tree some distance from the highway. They left a bottle of milk about 10 feet from him.

Half Billion Slash In Federal Expense Roosevelt Program

Veterans' Appropriations to Bear Brunt of Economy Move; General Salary Drop Also Expected to be Sought

WASHINGTON, March 10.—(AP)—President Roosevelt presented to congressional leaders this morning a bill calling for \$500,000,000 cuts in federal expenditures.

The reduction will be made largely in veterans appropriations and in salaries. Senator Robinson of Arkansas, the democratic leader, made the following announcement after a three hour conference at the White House.

"It is expected that the president will send to congress today a message having relation to the budget and looking to important and substantial reductions in expenditures for pensions, veterans compensation, disability allowances and emergency officers' retired pay."

Coupled with it there is likely to be a plan for salary reductions, the total amount on both accounts being in the neighborhood of \$500,000,000.

The president has asked that congress give him the authority to make the reductions, and that is the plan.

One member of the conference said the Roosevelt program also will embrace a proposed \$500,000,000 bond issue to create a forestry corps to put in motion a reforestation program looking to the employment of 500,000 persons of all ages.

The amended bill also excludes the tax from sales made to government bodies. The senate struck over the house conferred in the provision that the tax should apply when partial cash sales were made only to the cash portion of the transaction.

Under the revised bill, the first net money received are in lieu of the last half of the state's tax for the year. The next returns are in lieu of the state's half-cent tax for the state bonus commission and then \$250,000 is applied for unemployment relief. The residue thereafter goes to the treasury.

The bill carries the referendum clause. If approved by the legislature, it becomes operative July 1, 1933.

PUBLIC RELATIONS BANQUET ENJOYED

The annual public relations banquet for which the Business and Professional Women were hostesses Thursday night at the Marion hotel was attended by 105 people which included club members and guests.

Mayor Douglas McKay responded to the address of welcome by Ruth Moore, club president.

A. Howard, state superintendent of schools, addressed the group. Musical numbers were presented by Garland Hollowell accompanied by Mrs. Hal E. Hoss, a group of club chorus numbers, and quartet numbers by Frank Zinn, Dr. A. D. Woodmansee, H. R. White, and Dr. O. L. Scott.

This affair is one of the outstanding social functions of the observance of the national week, and is designed to bring together in social manner the business women and other service clubs and business men of the city.

Oleo Tax Passed By Wide Margin In Upper House

Twenty-four members of the senate Thursday afternoon approved a house bill which places four cents per pound tax on all oleomargarine manufactured and sold in Oregon.

The original bill passed by both houses exempted oleomargarine made of domestic animal fats. Warned of an executive veto, house members recalled the which was held to be favorable bill and removed the exemption to one manufacturing concern in Oregon. Senator Upton opposed the bill's passage on the ground that it was unfair to thousands of people in Oregon unable to pay for butter.

River Aid Bill Tabled, Senate

The senate Thursday night laid on the table house bill introducing Representative Ryan providing for the creation of a state power commission for the development of the Willamette river.

Both the senate and house late Thursday night adopted a joint memorial urging congress to enact legislation guaranteeing bank deposits during the emergency as a method of restoring confidence to the people.

BANK AID BILL IS LAW 8 HOURS AFTER REQUEST

Holiday Extended as Banks' Right to Reopen Given Closer Scrutiny

Money Issue and Control of All Institutions Main Points in Measure

WASHINGTON, March 9.—(AP)—President Roosevelt, keeping pace with a congress swiftly enacting his commands, tonight signed the gigantic emergency banking bill and prepared immediately to use its powers for currency expansion and a reopening of banks judged sound.

The bill was law within eight hours after his special message was read on Capitol Hill. The senate enacted it at 7:23 p. m. Exactly 73 minutes later his signature was placed upon it.

Although the president had a list of some of the banks judged entirely solvent and ready for reopening, he decided tonight to extend the banking holiday indefinitely.

The extension, it was said, would allow a wider opening of institutions than would be the case if the action were taken tomorrow. Powers of reorganization also might be used within that time.

Members of the delegation who brought the measure to the White House remarked that its passage probably constituted a legislative record.

The house rushed through the bill with a tumultuous vote of "aye" at 4:05 p. m., voting under a unanimous consent agreement that permitted no amendments. Representatives did not even vote the total of 40 minutes debate allotted. Not a single "no" was heard in the viva voce vote.

In the senate there was slight delay and on a roll call seven members voted against the measure as compared to 73 in favor. Two amendments were rejected, one by Senator Long (D., La.), to authorize the president to take state banks into the Federal Reserve system. Another by Senator Gore (D., Okla.), would have made state banks eligible for association membership for two years.

The seven voting against on the final ballot were Borah (R., Idaho), Dale (R., Vt.), Carey (R., Wyo.), McCallister (R., Wis.), Nye (R., N.D.), Shipstead (F., Minn.), and Culligan (D., Colo.). Norbeck of South Dakota, former chairman of the banking committee, was paired against.

Here is a partial recital of what the bulky bill contains: Authority for the federal reserve board to issue through its (Turn to page 4, col. 5)

WESTERN STATES MAY ISSUE SCRIP

SAN FRANCISCO, March 9.—(AP)—Rapid developments in the national capital left far western financiers and state officials uncertain tonight as to the immediate steps they may take in the banking emergency.

Scrip issues already printed in Los Angeles and Seattle were held in readiness and clearing house officials in the former city tentatively set tomorrow morning as the time for turning \$50,000,000 in such certificates into the channels of trade. Seattle banks were supplied with \$15,000,000 in scrip.

Clearing house officials in both cities said the proposed issues depended upon federal regulations and that they accepted Secretary Woodin's statement on the question as authority to proceed.

Method of Distributing New Money Announced

WASHINGTON, March 9.—(AP)—The new money provided for in today's emergency bank legislation will flow out to its users normally, to be paid over the counter of such banks as are opened in exchange for checks just as all past currency has been paid out.

Behind that simple act, however, is the process by which the bills flow from the treasury's engraving plant to the banks of deposit.

The bills will be issued to the 12 federal reserve banks by the treasury in exchange for government bonds, notes, drafts, bills of exchange and bankers' acceptances.

The notes will be given the reserve banks to the full face value of the United States obligations turned in and to 90 per cent of the "estimated value" of the notes, drafts, etc.

The reserve member banks will put up similarly acceptable assets with the reserve bank of their district in exchange for the currency they need. In exceptional cases where the member banks have such assets the reserve bank

WOODIN INVITES APPLICATIONS TO RESUME BANKING

No Permits to be Issued Before Saturday However, Says Treasury Chief, and not all Sound Institutions Will be Accredited by That Time; new Presidential Holiday—Announcement is Explained

Regulations Covering Reopening to be Released at Once; Senator Glass Indicates State Banks to get Chance To Come Under Federal Reserve System; Secretary Says no-Objection to Scrip Issues

WASHINGTON, March 10.—(AP)—Secretary Woodin in a statement early today said it would be the policy of the treasury to open sound banks of the country as rapidly as possible, and invited them to make application for reopening.

The secretary said the treasury already has taken steps to secure information as to the condition of the various banks of the country but that it was found the completion of assembling the information and of arrangements for the banks to resume their functions would take some time. It was therefore decided, he said, not to authorize any reopenings before Saturday, March 11.

He said regulations governing reopenings and other subjects covered by the emergency banking legislation would be published immediately.

The statement of the secretary issued early this morning said, in part: "The emergency banking legislation passed by the congress today (Thursday) is a most constructive step toward the solution of the financial and banking difficulties which have confronted the country. The extra-ordinary rapidity with which this legislation was enacted by the congress heartens and encourages the country."

"It will be the policy of the treasury to permit as rapidly as possible the opening of sound banks. There are, of course, many thousands of such banks which will promptly be restored to the performance of their normal functions."

"The treasury has already taken steps to secure information through proper authorities as to the condition of the various banks of the country and immediately invites from the banks the applications for re-opening." (Turn to page 8, col. 7)

BANKING SITUATION HERE IS UNCHANGED

Governor Extends Holiday For Rest of This Week; Orders are Awaited

There was no change in the functioning of banks in Salem yesterday. Withdrawals of currency were allowed in legitimate cases conforming with the orders of the secretary of the treasury. Customers obtain access to their deposit boxes during the noon hour.

Bankers here were awaiting word from Portland, San Francisco and Washington for the relaxing of the restrictions which have held for three days this week. Governor Meier extended the state holiday for the remainder of this week.

An interesting situation will arise if all banks are required to clear their gold and gold certificates to the government. Ladd and Bush bank has held substantial gold reserves for many years. It never joined the federal reserve system; instead maintained its own gold reserve. Whether release of this gold to the government or the federal reserve bank will be a requirement is not known at present. All banks however are forbidden to pay out any (Turn to page 8, col. 8)

Runaway Lad's Jaunt Ends at Police Station

Irked at teachers' scolding for playing hooky, Ronald Whelpley, 12, of Portland route two, ran away from home Wednesday. His wanderings ended at Salem police headquarters after he was picked up by patrolmen, notified by Portland police radio that the lad was missing from home.

Ronald's parents came here yesterday afternoon to take him back home.

The Day in Washington

By the Associated Press
Congress speeded action on emergency banking legislation asked by President Roosevelt when special session convened at noon.

Senate adjourned impeachment trial of Judge Harold Londerback of California until Monday because "house was not ready to press its prosecution."

Senator Norris (Rep., Neb.) introduced legislation to carry out President Roosevelt's Tennessee valley industrial development project.

Conference called by Chairman Morgenthau on farm board deferred action on plans for transfer of wheat futures in anticipation of early resumption of banking activities.

President Roosevelt discussed re-organization question with Secretary of War, agriculture and interior.