The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"
From First Statesman, March 28, 1851

THE STATESMAN PUBLISHING CO.
CHARLES A. SPRAGUE - - - - - - Editor-Manager
SHELDON F. SACKETT - - - - - Managing Editor

Member of the Associated Press
The Associated Press is exclusively entitled to the use for publication of all news dispatches credited to it or not otherwise credited in this paper.

ADVERTISING
Portland Representative
Gordon B. Bell, Security Building, Portland, Ore.
Eastern Advertising Representatives
Bryant, Griffith & Brunson, Inc., Chicago, New York, Detroit, Boston, Atlanta.

Entered at the Postoffice at Salem, Oregon, as Second-Class Matter. Published every morning except Monday. Business office, 215 S. Commercial Street.

SUBSCRIPTION RATES:
Mail Subscription Rates, in Advance. Within Oregon: Daily and Sunday, 1 Mo. 50 cents; 3 Mo. $1.25; 6 Mo. $2.25; 1 year $4.00. Elsewhere 50 cents per Mo., or $5.00 for 1 year in advance.
By City Carrier: 45 cents a month; $5.00 a year in advance. Per Copy 2 cents. On trains and News Stands 5 cents.

Planned Economy

THE new deal which is being unfolded proposes "planned economy" with the government doing the planning, the regulating, and to a considerable extent the financing. The system of competitive individualism is condemned and the socialized or socialistic state acclaimed. The one is said to have broken down by its own excesses and the other is hailed as a bridge across the chasm to solid ground of prosperity.

One may confess the bill of particulars against competitive individualism, but how positive may we be of the virtues of "planned economy?" In these days of dissolution and of new approach one dare not be too categorical in his declaration of principles; but it is at least well to examine some of the propositions which are now advanced. And the first observation one might make is that in precisely those fields where government control has operated for the longest period of time and with the greatest degree of completeness that the breakdown is most disastrous.

Consider first the railroads. Government regulation began in 1887 with the passage of the interstate commerce law. Since 1907 the government through a commission has had full authority over rates; and not a single issue of stocks, bonds or notes could be made without approval of the commission. The Adamson act passed by congress fixed hours of employment of railway labor, and since the transportation act of 1920 government boards have fixed wage rates for railroads. Thus the government had control over rates which help largely to determine revenues; and wages which is the largest item of expense. The government too by its control of securities has prevented since 1907 any inflation of capitalizations which is the bane of utilities now.

Yet, in spite of this "planned economy" what do we see in the railroad field? Great systems are prostrate; their stocks and bonds rapidly approaching zero values, save with a very few unusually strong railroads. Many roads are not now earning operating expenses, let alone providing any interest on outstanding bonds or dividends on stock. How does this stand as a testimonial for "planned economy"?

To cite a specific instance. The St. Louis-San Francisco railroad is in receivership because the interstate commerce commission refused to recommend it for additional loans from the R. F. C., stating:

"We do not believe this carrier can operate successfully in the future without a reduction of its fixed charges".

But four years previous the same commission approved a financing plan of the road which retired two large issues of preferred stock and created a new bond issue of $110,000,000 and a preferred stock issue of $49,000,000. The bonds, drawing 4½% interest, were made "legal for savings banks", and found a ready sale, netting the company not less than 94½. Now these bonds are selling at 10, interest is in default; and the preferred stock is virtually worthless. Does this prove wisdom of government planning?

Or take the field of banks which are creations of the federal and state governments. For decades they have operated under strict laws and been subject to careful and continuous supervision by agents of government. Heavy penalties are a constant threat against wrong-doing, and frequent examination is designed to keep institutions solvent and honest. In addition we have had for nearly twenty years the federal reserve banks, virtually an arm of the government, aiding in the conduct of the nation's banking system.

Here is planned economy again. But what is the record: nearly half of the banks of the United States have passed into liquidation in the last 13 years!

Is the government's record any better in farm relief, where $350,000,000 of the public's money has been lost? Or in farm mortgages where federal landbanks are sustained only by government support, and joint stock landbanks, also under government supervision, are now to be liquidated at substantial loss?

We go farther and say that the two specific things which have magnified the extent and duration of this depression were both acts of government. First, was the imposition of very high post-war tariffs in defiance of the clear reading of economic law, due to our change in status from a debtor to a creditor nation. Second, the deliberate low-discount policy of the federal reserve banks in 1927 and 1928, against repeated warnings of competent authority, which permitted the speculative excesses in securities and led to the crash of 1929.

"Rugged individualism" may be broken down and discredited. Yet is there no significance in this, that there have been very few failures in the field of unregulated business, among the larger concerns? Not a single large steel company has failed although operations have been at a rate of only 12 to 19% of capacity for many months. Not a single large mining company is insolvent; only one large oil company, and that due to dishonesty of officers; only two major motor manufacturers; not a single large electric manufacturer or maker of railroad equipment. A few merchandise chains have been unable to weather the storm, and a few department stores, but very few compared to the large numbers operating. There have been failures in theatre companies, and in coal and lumber industries; but on the whole the unregulated industries have survived better than those under "planned economy".

We are quite sympathetic with a reasonable degree of government regulation to prevent public exploitation. But we "view with alarm" government attempts at price-fixing, emissions of government debt to sustain insolvent businesses, and government guarantees of employment, of bank deposits, of farm profits and mortgage interest.

A political appointee possesses no better business judgment than any one else; and he has no responsibility for loss in case his judgment turns out ill. When you add bureaucratic inefficiency and political interference to private management you complicate and slow down the operations of business. Planned economy by government agents means the sterilization of enterprise, and the freezing of the adventurous instinct which has developed in the country. Put the dead hand of remote control in Washington on industry and agriculture and you lay a palsy on the very mainspring of economic activity.

The trouble with the "new deal" is that we are legislating for cataclysms. We are trying to write our laws in terms of earthquakes and cyclones instead of for the longer term of normal living and activity. There may be occasion for emergency legislation, some rope to pull us out of the canyon. But the hysteria of the moment is calling for legislation to create a new heavens and a new earth, and doing it in the bitterness and emotionalism of the greatest economic catastrophe in history. We have in America 120,000,000 people. They cannot be regimented, they cannot be fed by government doles interminably. There must be preserved freedom of enterprise and responsibility for enterprise if we are to restore balanced prosperity in this country. Not ignoring the aids which political action may give to quicken business respiration, recovery must come primarily through the operation of economic forces,—the adjustment of supply to demand, the release of credit, and the quickening of that potent but elusive factor, popular confidence.

"MARY FAITH" By BEATRICE BURTON

SYNOPSIS

Mary Faith and Kimberley Farrell have been engaged for some time. Mary Faith, beautiful young orphan, gives up her position as secretary to Mark Nesbit when Kim sets their wedding date. His attitude changes brusquely when his mother objects. The latter treats Mary Faith coldly. Heartbroken, Mary Faith returns to her office and breaks the news to her co-workers. Mark, taken ill, has Mary Faith driven to his country home, daily, for two weeks. He tells her of his love for her. She halts him saying she will never love anyone as she did Kim. While in a jewelry store with Mark, selecting a Christmas ring for his sister, Mary Faith meets Kim with a girl. Next morning Kim calls at Mary Faith's boarding house. He assures her of his love and proposes immediate marriage. Mary Faith melts in his arms.

"I'm leaving," said Mary Faith.

CHAPTER XIV

"I'll telephone Dr. Pomeroy tonight and ask him if he'll meet us in the chapel at eleven o'clock," his voice ran on. "And I'll ask the Maldons to come down. We're supposed to have a couple of witnesses, aren't we?"

Dr. Pomeroy was the rector of the Church of the Heavenly Rest, where she and Kim had always planned to be married. But who were the Maldons? She never had heard Kim mention them.

"Who are the Maldons, Kim?" she asked.

He thought for a minute or two.

"Why, I guess you haven't met them," he said at last. "I haven't known them so very long, myself, but they're pals of mine. Jack works down at our place. He and Claire have been married only two or three months. You'll like Claire, Mary Faith. She's a grand person."

Mary Faith stirred in his arms.

"I'd like to ask Jean Bartlett to the wedding. She's my best friend" —she was beginning when he stopped her.

"No. We're not going to have any of your friend Nesbit's office help around," he said firmly. "You're through with all that crowd, so forget them. I'm not going to tell even my mother about the wedding until it's all over. . . . Now, let me tell you where I thought we'd spend our two weeks."

She settled back to listen.

"You remember that aunt of mine who lives down in Garrettsville, Mary Faith?"

"Aunt Ella Goad, you mean?" Mary Faith remembered Aunt Ellen Goad very well. Having once seen Aunt Ella, you could never forget her.

She was a plump and pleasant person with a passion for moving pictures, library books, armchairs, and coffee and cake between meals. Mary Faith had always liked her, and she said so now.

"Well, she's come up to town to stay with my mother over the holidays," said Kim, "and I'm going to ask her to lend us her house down in Garrettsville for the next two weeks."

"Kim! Do you think she'll let us have it?" Mary Faith's eyes shone in the darkness. "Won't it be lovely if she does!—I can cook all the things you like to eat, and get your bath ready in the mornings and put the collar buttons in your shirt!—And you can build the fires and shovel the snow off the walks so that I can get out of the yard when I want to go to market——"

"I'll drive you there in the car so that you won't get your cute feet all cold and wet," Kim said. "I'm going to take doggone good care of my wife."

"All right, you take care of me then."

"I'm going to," Kim said, and he said it gravely as if he were making himself a solemn promise.

Mr. McClintock was playing checkers with Allie Brock when Mary Faith went back into the house an hour later. He sat facing the hall door and he saw her as she started up the stairs.

She turned her head and smiled at him. And he looked at her, blinking a little, as if he were looking at a sunrise.

Before she went to bed that night Mary Faith washed her hair and "did" her nails. Then she packed two suitcases with things for her honeymoon and laid out her clothes for the next day. A hunter's-green suit trimmed with gray fox; a little green hat; pale gray stockings and slippers and handbag; a gray chiffon blouse.

It was one o'clock in the morning when she went to bed and she was awake again at half past six. It was still dark but the dawn wind blew in through the open windows and there was a line of silver in the sky above the housetops on the other side of River Street.

"My wedding day," she thought, taking a long deep breath of it before she put down her windows. "This is the last time I'll ever get up in this room."

But there was no regret, no sadness, in the thought. She looked forward to her life with Kim with nothing but happiness in her heart.

The old house was like a tomb, as it always was on winter mornings, and she shivered as she ran down to the bathroom on the second floor. You had to get up at the crack of dawn if you wanted to take a morning bath at Mrs. Puckett's, for the "paying guests" all got up around seven and fairly fought for the bathroom.

When Mary Faith, fresh as a flower, came out into the hall a half hour later, Mrs. Puckett, with her bath towel and a cake of pink soap in her hand, was waiting just outside the door.

"I hope you didn't use all the hot water, Mary Faith," she said. "What you up so early for?"

"I'm going down to the office to get all my things—and I want to get away from it before everybody arrives," Mary Faith answered. "Mrs. Puckett, I'm going to marry Kim Farrell this morning."

Mrs. Puckett stared at her from under her wrinkled eyelids for a long moment. Then she shook her head.

"I haven't a word to say, Mary Faith," she announced. "I haven't a word to say!"

But when Mary Faith was halfway up the stairs she said something else.

"I hope you'll be happy," was what she said. "I hope you'll be happy. I pray for it, Mary Faith. . . . I certainly do."

The clock in Mark Nesbit's empty office was striking eight when Mary Faith walked into her own little room that morning.

She had brought her hat box—a round leather affair—with her and into it she packed the contents of her desk drawers. An oil-silk bag in which she kept her soap and nailbrush and tooth brush. Two clean face towels that belonged to Mrs. Puckett. A library book. A bank book and a check book. A dime savings bank. A pair of rubbers and a folding umbrella. A pasteboard box filled with old letters and receipts. A box of writing paper and correspondence cards.

She had them all in the hatbox and was closing it when she heard the door open behind her. She swung around. Mark Nesbit was standing in the doorway.

He looked first at the open drawers of the desk and then at the hatbox.

"What do you think you're doing, Mary Faith?" His eyes seemed to take her in, point by point. The green hat, the expensive fur-trimmed suit, the gray slippers with their cut-steel buckles.

"I'm—leaving," said Mary Faith.

(To Be Continued)

Copyright, 1931, by Beatrice Burton
Distributed by
King Features Syndicate, Inc.

BRITISH ENGINEER ADMITS SABOTAGE

MOSCOW, April 12—(AP)—W. H. MacDonald, one of the six British engineers who went on trial today on charges of sabotage, bribery and espionage, made a double admission that he was guilty.

He entered a plea of guilty when the session opened. The first witness recited a detailed story that MacDonald had bribed him to act as a spy, and the young Englishman confirmed almost all of this testimony.

The other Englishmen on trial—Allan Monkhouse, Charles Nordwell, L. C. Thornton, A. W. Gregory and John Cushny—all pleaded not guilty. Eleven Russian employes of the Metropolitan-Vickers Electrical company, for which all of the Englishmen worked, pleaded guilty.

A $2.00 Show at Our LOW PRICES!
'42nd Street'
STARTS SUNDAY ELSINORE

WARNER BROS. CAPITOL
TODAY AND TOMORROW
They Told Him He Was Tough... and He Believed It!

Zane Grey's UNDER THE TONTO RIM
with STUART ERWIN
FRED KOHLER RAYMOND HATTON
VERNA HILLIE
Only 25c ANY-TIME

OREGON'S PROHI LAW NOT ISSUE

Election Call Contains no Authority for Initiative Measures, is Ruling

(Continued from page 1)

in charge of this particular legislation, may have changed their minds after writing the title and decided not to include all of the subject matter in the body of the act which was enumerated in the title, or, it may never have been the intention of the legislature to include all of the subjects mentioned in the title, and the additional item of initiative measures may have been erroneously included in the title by the scrivener who prepared that particular part of the act."

REACTION TO F. R. PROGRAM IS SEEN

(Continued from page 1)

unemployment emergency relief bill, but because it was a matter of either taking it or leaving it just as the president had it drafted. . . it was better to vote even for a bad bill which has that (relief) for its object rather than vote against it and get no emergency relief at all.

"If this law seriously injures our federal aid project the responsibility must be placed on the people themselves, who, through hysteria and propaganda have been led since March 4 to believe that anything which the president demands is right and that it is the duty of their representatives in congress to give it to him without question. I hope that between now and the beginning of the next regular session the attitude of the people in this regard will have returned to normal so that congress may again be permitted to function as a constitutional legislative body."

SANITY PROBE FOR WINNIE IS GRANTED

(Continued from page 1)

is unbalanced mentally, she automatically will be committed to the state hospital in Phoenix, there to remain for the rest of her life, or until such time as she may again be adjudged sane.

The request for the sanity hearing was made by Warden A. G. Walker of the state prison—the only person in Arizona possessing power to make it. Granting the request under Arizona law, was mandatory.

At her trial for murder of Mrs. LeRoi in January and February 1932, Mrs. Judd's defense was insanity. The jury found her sane, and thereby guilty of murder in the first degree.

Women at Auburn Will Hold Club's Session Thursday

AUBURN, April 11.—The Auburn Woman's club will meet on Thursday at the home of Mrs. Carl Krehbiel. The community club will meet at the school Friday night, April 21, when the high school students will have charge of the program.

The place occupied by the Arthur Messing family has been traded for other property and will be occupied by the new owner, a Mr. Milburn and family of Salem.

DALE BLAIR WEDS

SILVERTON, April 12. — Mr. and Mrs. C. A. Barber and Mr. and Mrs. Cal Schlador motored to Battleground, Wash., Sunday to attend the wedding of Dale Blair to Miss Dorothy Cook. Carl Mick of Silverton was best man. Young Blair is a former Silverton boy and will be remembered by many here. The Blairs at one time owned and operated the delicatessen at Silverton.

TO PLAY HAYESVILLE

HAZEL GREEN, April 12 — The baseball team will play its first game of the season Friday afternoon with Hayesville. The line-up is captain, Marvin Van Cleave, Donald Dunnigan, Clinton Wampler, Waldo Gilbert, Melvin Lehrman, Merle Smith, Alexander Sharp, Orville Dunnigan, Edward Yada, manager.

WARNER BROS. ELSINORE
ENDS TODAY
EXPOSING THE MAN WHO EXPOSES THE FUTURE
WARREN WILLIAM in "THE MIND READER"

with Constance Cummings
—PLUS—
Voice of the Vatican POPE PIUS XI Scenes of Vatican City
ROOSEVELT THE MAN OF THE HOUR
TOMORROW AND SATURDAY
GREATER THAN "BAD GIRL"!

Vina Delmar's Tempestuous, Hot-Blooded Romance . . . With the Screen's Greatest Team!
PICK UP
with SYLVIA SIDNEY GEORGE RAFT
VINA DELMAR

The Call Board . .

By OLIVE M. DOAK

CAPITOL
Today—Stuart Erwin in Zane Grey's "Under the Tonto Rim."

ELSINORE
Today—Warren William in "The Mind Reader."
Friday — Sylvia Sidney in "Pick-Up."
Saturday — Mickey Mouse, "Riders of Purple Sage;" adult feature, Sylvia Sidney in "Pick-Up."

GRAND
Today—"Sins of Love."
Saturday — Tim McCoy in "The Western Code."

HOLLYWOOD
Today—Carole Lombard in "No More Orchids."
Friday—Mr. and Mrs. Martin Johnson's "Congorilla."

Every actor, including stars, featured or bit players as well as a chorus of 150, who appears in the Warner Bros. production of "42nd Street," which opens at the Elsinore theatre Sunday, was selected fir his or her role, in part selected for his or her role, in part experience.

For the picture is a show within a show. It carries a well defined dramatic plot, which involves the life behind the wings of a musical comedy company rehearsing for its opening performance. Consequently the entire revue is presented at the various stages of its progress of rehearsal and on its opening night.

New Views

"What is your attitude on further retrenchments in teachers' salaries for the year 1933-34 in Salem schools?" Answers to this question put by Statesman reporters yesterday were as follows:

Lewis Brown, clerk: "As far as I'm concerned let the teacher have what she is getting now. That's a hard job, and plenty confining, whether you want to believe it or not".

Neil Brown, writer: "Oh, I suppose they can stand a little cut along with everyone else; but the trouble is if they are put low, it will take ages to get them back up, if ever."

Calls on Relief Office Diminish As Men Get Jobs

Diminishing need and more efficent methods have brought about a decided decrease in the number of persons calling at the Red Cross-Community Service relief office over Fry's drug store on North Commercial street, according to Miss Maria Wilson, Red Cross executive secretary. Daily calls now number around 50 instead of 125 as in March.

Start of spring employment has taken at least 50 men from the relief list, Miss Wilson said. Over 600 men are still being employed on the count's relief.

YOU'LL BE TALKING ABOUT IT FOR MONTHS
'42nd Street'
STARTS SUNDAY ELSINORE

RUTH BRYAN OWEN CHOICE CONFIRMED

(Continued from page 1)

rough of Nebraska, to be judge of the eighth circuit court of appeals.

Mr. Roosevelt sent the nomination of Mrs. Owen, former member of the house from Florida and the daughter of William Jennings Bryan, to the senate together with that of Mayor James M. Curley of Boston as ambassador to Poland.

The president also turned today to the selection of a successor to Eugene Meyer, Jr., who has submitted his resignation as governor of the federal reserve board. He is continuing in office until a man to take his place is found.

The names of Walter W. Stewart, chairman of the board of Case, Pomeroy and company, New York investment firm, and of Angus McLean, former governor of North Carolina, have been mentioned in the speculation over this job. The former has been mentioned for undersecretary of the treasury as well.

Mr. Roosevelt also selected today, Frank T. Bell, of Washington state, as commissioner of fisheries, succeeding Henry O'Malley, the republican incumbent. Bell is secretary to Senator Dill (D., Wash.)

Young Men Flock To Register for Forest Projects

Streaming into the U. S.-Y. M. C. A. Employment office here daily, over 500 men had yesterday filed preliminary applications for jobs in the forest camps to be established under President Roosevelt's relief program. The majority of the applicants are young men coming from all parts of the Willamette valley. It is expected the office here will receive official advice soon as to handling these registrations.

General labor and farm jobs are scarce at the employment office. This week four men have been placed at common labor and one on a farm.

A Home Owned Theater HOLLYWOOD
Good News
TONITE IS DIME NITE
All Seats 10c Except Loges
"No More Orchids"
Carole Lombard, Lyle Talbot and Louise Closser Hale
Also Pitts and Todd in "ALUM AND EVE"
Coming Friday - Saturday
Two Big Features
Mr. & Mrs. Martin Johnson's "CONGORILLA"
AND
ACTION AND ADVENTURE IN THE AIR AND ON THE RANGE
BOB STEELE in HIDDEN VALLEY
Salems Greatest Amusement Value

TODAY and TOMORROW
ONLY
LAST 2 DAYS THEN GONE FOREVER

The Picture All Salem Is Talking About
SINS OF LOVE
MOST AMAZING PICTURE OF THE ENTIRE YEAR — Capacity houses and every house record broken—a true story of women's joys and women's sorrows. True and authentic.
A Picture That Causes Big Strong Men to Faint
LADIES ONLY
2 to 4 p. m.
Mrs. Jardine McCree
Noted Authority on Sex
She will tell you what causes divorce; how to hold your husband and other astonishing facts.
MEN ONLY
7 to 11 p. m.
Prof. Howard Goldin
Noted, sex philosopher, will tell you nature's laws and other delicate secrets of life—remember knowledge is priceless.
ASK ANY WOMAN IN SALEM
Extra—Special show for business women and working girls Friday night only.
Doors Open at 6:30 P. M., Show Starts at 7 o'clock Promptly — with an especial lecture on Birth Control by Mrs. McCree.
ALL 25c SEATS
THE GRAND
For Adults Only