

**WEATHER**  
 Unsettled with light rains today, Friday cloudy; Max. Temp. Wednesday 57, Min. 41, river 4.6 feet, rain .15 inch, south wind.

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EIGHTY-THIRD YEAR

No. 45

## GERMANY ASKS ONLY EQUALITY HITLER STATES

**Welcomes Roosevelt Peace Proposal; Moderation Of Talk Surprises**

**President Watches World's Reception of Scheme, Outlines Action**

BERLIN, May 17.—(AP)—Chancellor Hitler today in his eagerly awaited pronouncement before the reichstag, proclaimed Germany's demand for equality in armaments, accepted President Roosevelt's proposals for world peace, and announced Germany's readiness to cooperate with other nations in guaranteeing international security and tranquility.

"There is but one great task before the world today, to secure the peace of the world," the Nazi chieftain asserted in an address which, while stoutly reaffirming Germany's "right to live" on equal terms with other peoples, was marked by obvious moderation.

The German chancellor roundly scored the Versailles treaty, but pledged his government to abide by it until some better instrument should be found to replace it.

WASHINGTON, May 17.—(AP)—Friendly but non-committal expressions from France and cordial response from Germany were weighed by President Roosevelt tonight as he prepared to follow up his direct appeal for world-wide reduction with important diplomatic moves in Geneva.

At the arms conference which opens tomorrow, the United States spokesman, Norman H. Davis, has promised his country would "make very great efforts to assist in the maintenance of peace," once the determination to maintain it is evidenced by genuine steps toward disarmament.

In the meantime, the president is refraining from stating just what those steps will be. The extent to which the United States would go to aid in assuring safety against attack bears directly on the French demand for "security," without which she had hitherto refused to sacrifice her arms.

Gracious replies were received at the White House from the chief of state in London, King George of Great Britain, and President Lebrun of France.

Although Germany's official reply had not been received tonight, the president closely studied the cautious arms declaration of Chancellor Hitler, which was regarded here as conciliatory.

## MEIER TO CONFER ON SALARY ISSUES

Unable as yet to determine finally on the question of certain state employees' salaries, Governor Julius L. Meier yesterday arranged a conference for this afternoon with R. H. Baldock, highway engineer, when a number of tentative salaries in that department will be gone over. The April payroll of the highway department has not yet been certified by the governor. The salary list of the public utilities commissioner's office and other state departments are yet to be examined and certified.

Governor Meier indicated that the conference would deal with each salary for which Baldock has requested an adjustment. Baldock and other officials of the highway commission will attend the conference at the request of the governor.

Figures show a wide discrepancy between the salaries recommended by Baldock for certain employees of the highway department and the amounts they would receive had the payroll been submitted on the basis of the actual regulations recommended in the legislative act.

## Freight Loadings Exceed Estimate

SEATTLE, May 17.—(AP)—The freight movement of Pacific northwest products in April exceeded by 1,501 carloads the forecast for the month made late in March by the Pacific northwest advisory board of the American Railway association, officials disclosed today, although the volume was below that of any of the previous 10 years.

## Judicial Nod is Given Bicycling

PORTLAND, Ore., May 17.—(AP)—Bicycling, in its revival, has received the dignified approval of the court. Friends of Circuit Judge Clarence H. Gilbert were assigned to see him pedaling a bicycle down the city streets to the courthouse.

"I need exercise and bought a bike," was his only comment.

## President Signs Farm-Inflation Bill



Here is the scene in the executive office of the White House as President Roosevelt put his signature to the farm-inflation bill, which gives him almost unlimited powers to raise crop prices, deflate currency and lighten farm mortgages. Standing behind the president are, left to right, Representative J. B. Clark, North Carolina; Representative Wall Doxey, Mississippi; Representative H. P. Fulmer, South Carolina; George Peake; Representative John Tabor, New York; Senator E. D. Smith, South Carolina; Henry Morgenthau, Farm Board head, and Secretary of Agriculture Wallace.

## SCRIP PLAN STUDY EXPLAINED BY KUHN

**Enlarging Relief Program Purpose; Committee to Study Possibility**

The city scrip plan was broached to the council here Monday night with a view to effecting possible financial savings and increase in relief work. Alderman V. E. Kuhn, who suggested that the Portland scrip setup be studied, declared yesterday. He stated that he did not intend to urge the plan upon the aldermen, but rather did want it determined "if the city's overlooking something."

At Alderman Kuhn's suggestion the council authorized Mayor Douglas McKay to name a special committee to study the workings of the scrip plan now in use by Portland and Multnomah county. David O'Hara, chairman of the ways and means committee, heads the special committee, which includes Alderman Henry Vandevort and Kuhn.

It is Alderman Kuhn's idea to investigate the use of scrip in Portland thoroughly and submit an authentic report to the council here. The Portland plan, copied in part after that instituted here last year, calls for issuance of scrip in payment of city bills, as designated by a government board. Redemption of the scrip is made through 50 two-cent stamps affixed to each dollar's worth of scrip.

"Salem has a monthly payroll of approximately \$8000," explained Kuhn, "and the city should pay \$200 of this amount in scrip. In a year the savings would be \$2400. But \$5000 savings is not a high estimate."

## GENERAL HOSPITAL GRADUATES THREE

The annual graduation exercises of the Salem General hospital training school for nurses will be held tonight at 8 o'clock at the First Presbyterian church. This year's graduating class is composed of three women: Eva L. Jones, of Seaside; "Suppose" the city should pay \$200 of this amount in scrip. In a year the savings would be \$2400. But \$5000 savings is not a high estimate."

W. H. Dancy, president of the hospital board, will preside and the main address will be given by Rev. Frederick A. Well. Invocations will be by Rev. Grover C. Birchett. Several musical numbers will be included on the program.

The class will be presented by Dr. C. A. Downs, diplomas by Dr. M. C. Findley and pins by Miss Natalia Spandler, instructor of nurses.

## Fruit Carry-over Small; Season Outlook is Good

While local weather conditions and the more far-reaching aspects of tariff and foreign exchange may put something of a question mark into approaching season of activity for Salem canners, at least one bright spot is evident as the new year comes on. That is the low stock of goods now on hand in all Salem canneries. The smallest carry-over in several years is the promise.

Canners interviewed yesterday declared it is yet early to make any definite statements as to packs contemplated for this season, nor would canners venture anything like a forecast of outcome on crops. There is one exception to the latter: There is little hesitancy in saying that probably no Etersburg strawberries will be packed in the entire northwest this year.

No price talk is heard yet,

## Physical Exams Due for County Forest Recruits

Preliminary physical examinations will be given some 175 Marion county recruits to the forest conservation corps next week by local physicians who are members of the Reservoir Officers' association. It was announced yesterday. Dr. Vernon A. Douglas, county health officer and first lieutenant in the reserves, will conduct the examinations, at the Red Cross offices.

No mobilization orders have yet been received for recruits here. The county's quota to date is 126 men.

## BANKS TRIAL WILL RUN TO SATURDAY

Rebuttal testimony aimed at Defendant's Repute Marks Day's Grind

Eugene, Ore., May 17 (AP)—With the announcement that several witnesses are yet to be called, the state today indicated it would not complete until late tomorrow its rebuttal testimony in the first degree murder trial of Mr. and Mrs. Llewellyn A. Banks for the slaying of George Prescott, Medford constable.

Seven witnesses were called in rebuttal by the state today whose testimony was to the general effect that Banks, a former editor and orchardist who was a leading figure in an extended political storm in Jackson county, had a poor reputation in Medford for veracity and a law-abiding citizen. The same witnesses declared Prescott was not of a quarrelsome nature.

Once the state completes its rebuttal testimony, the defense will put on several rebuttal witnesses, and it was indicated arguments may not be started before Friday. With each side estimating it will take a day for its arguments, little prospect was seen that the case will be given to the jury before Saturday.

## Highway Shops Veteran Called

James G. Fairlow, 75, respected farmer, employed at the highway shops here, died at the Deaconess hospital last night after a protracted illness. He was a native Oregonian, born near The Dalles, and had lived in Salem for 10 years. Funeral arrangements are in charge of the Clough-Barrick company.

## Summer School Not to be Held At Willamette

Abiding by the policies of the executive committee, Willamette university officials have decided definitely that no summer school will be held at the university this year. Dean Frank M. Erickson announced tonight.

Although no summer school was held last year such a project for this summer had been talked to some extent. The last summer courses were offered in 1931.

## Equine Spleen is Vented on Autos

Motorists parked on the west side of the Guardian building hurriedly telephoned for aid of the police at 5 o'clock yesterday afternoon when a draft horse kicked out the tailgate of the trailer in which it was standing and battered nearby autos with its shod hoofs. The owner of the horse soon arrived on the scene, quieted the animal and secured it in the trailer again.

## OUTLAWS SEIZE TWO AMERICAN COWPUNCHERS

**Baeza's Bandits Surround Pair Hunting Stolen Cattle, is Report**

**Father of one Captive may Head Private Force to Attempt Rescue**

ALPINE, Tex., May 17.—(AP)—Fear for the safety of two American cattlemen, held captive by a band of Mexican outlaws in the wilds of Coahuila was expressed tonight as authorities swung into action to bring about their rescue.

The cattlemen, Art Hannold and John Rollins, each about 35 years old, have been missing since May 9, when they rode away from the Hannold ranch near San Vicente on the trail of four horses stolen by rustlers. They headed south into the desolate desert region south of the border.

About 20 miles from the river they were surrounded suddenly by a score of bandits headed by Cantarilo Baeza, disappeared in the United States for murder and by both Mexican and American authorities for cattle rustling.

Reprisal for Arrest of Smugglers, Belief were led to believe they were captured by the bandits as a reprisal for the slaying of two Mexican smugglers by United States officers on the American side of the Rio Grande a few weeks ago, and for a threat by Hannold's father, C. L. Hannold, to file charges of cattle stealing against Baeza.

Baeza, with a large band of well-armed followers, has been operating in the sparsely settled region south of the border eight or nine years, here, he is believed to have captured the father of the cattlemen's plight.

Telegrams signed by county officers and the American Legion here were sent today to Congressman R. E. Thomason in Washington, advising him of the seriousness of the cattlemen's plight.

Consular officers here are working to attempt release.

Thomason advised that the state department had taken up (Turn to Page 2, Col. 5)

## BEER ISSUE BEFORE ALDERMEN TONIGHT

Ten Sign Call for Special Meet; Recommendation Lacking on Bills

For the second time within less than two months, the city council will convene in special session tonight to vote on measures that would permit the sale of 3.2 percent beer in Salem. When the city recorder's office closed at 5 p. m. yesterday, 10 aldermen and Mayor Douglas McKay had signed the call for the meeting.

The two ordinances up for final passage will be reported out by the ordinance committee without recommendation. It was tentatively decided by the committee at a meeting last night. Aldermen Watson Townsend, chairman, and David O'Hara voted against the initial beer licensing ordinance last month, while Walter Furber, third member, voted for it.

Continued power of the police to enforce the charter prohibition of the sale of intoxication beverages will depend upon the council's action regarding Alderman Henry Vandevort's ordinance repealing the present enforcement ordinance, and the bill introduced by Alderman Walter Fuhrer and Frank Needham. The latter bill automatically drops the ban on sale of "non-intoxicating" malt drinks.

No licensing provision is included in the Fuhrer-Needham bill. Though the pro-3.2 aldermen included a license system in the ordinance they attempted to have passed early last month, some of them now state that such a plan could not be enforced, if fought, because of the charter prohibition against sale of malt beverages.

## WRIGHT RESIGNS AS BAPTIST SECRETARY

EUGENE, Ore., May 17.—(AP)—Dr. O. C. Wright of Portland, tendered his resignation as executive secretary of the Oregon Baptist convention today at the session of the convention. The resignation is to be effective November 1. Dr. Wright has served for 21 years in his present capacity. The board accepted his resignation of appreciation.

The Rev. Alfred Danielson of Bend, was elected president of the Oregon Baptist ministers' conference; the Rev. W. T. S. Spriggs of Klamath Falls, vice-president, and the Rev. William Taylor of Springfield, secretary-treasurer.

Officers elected for the women's state society included Mrs. H. R. Lowry, Portland, president, and Mrs. Odell, West Linn, vice-president.

Dr. H. J. Maulbettsch of Portland, was elected chairman of the men's council and Dr. Kinkley Adams of Salem, vice-chairman.

## Beggar Records Income to Avoid Fate of Capone

PORTLAND, Ore., May 17.—(AP)—Police Detectives Grist and Price have nominated John Brown, 45, as the most systematic beggar. They searched him today when he was arrested on a vagrancy charge.

"What are these papers?" asked Price.

"My bookkeeping," Brown replied. "See, I made \$2.20 Sunday, 90 cents Tuesday, a bad day, and \$1.73 Wednesday." Asked why he kept the record, Brown retorted:

"So I can figure out my income tax. You know what happened to Al Capone."

## Late Sports

PORTLAND, Ore., May 17.—(AP)—Richard Stahl of Berlin defeated Ted Thye of Portland, two falls out of three, in the main event of tonight's wrestling matches here. Stahl weighed 215 and Thye, 200.

Wong Book Cheung, 212, Chicago Chinese, and Bob Kruse, 216, Portland, wrestled five rounds to a draw in the semi-windup, each taking a fall. Fred Maracci, 175, Warren, Ore., won a fall from Ossip Slavinski, 175, Russia.

Throughout Marion county a scurrying for nominees for the county high school tuition and transportation board is on, according to reports coming to the county seat. The final day for filing nominations is June 3; the election of the new board, provided for by the last legislature, is at the annual school meeting, Monday, June 19.

The issue of the election contest is the question of transportation for non-high school students to the high school assigned to them for attendance by the county board. A considerable group of taxpayers in the county wants transportation abolished and this group, like proponents of transportation, seeks to nominate candidates for the board who will act in accordance with the wishes of the anti-transportation taxpayers.

The county, as far as non-

## Log Haul Rate Reduction Ruled Foreshadowing Mill Operation; Canalization Pleas are Heard

## Valley Pictured as World Bread Basket

**Productivity of Salem Region Stressed When Local Delegation Appears Before Board of Engineers; Decision Delayed**

WASHINGTON, May 17.—(AP)—Describing the Willamette valley in Oregon as one of the "bread baskets" of the world, the Oregon congressional delegation and a group of Salem and Portland men today urged the board of United States army engineers to undertake improvement of the Willamette river so as to make it navigable throughout its length of 63 miles between Salem and Portland.

## RELIEF FUNDS FOR COUNTY CURTAILED

**Road Workers Last Half of Month may not Receive Expected Amount**

Whether or not half of the 1800 to 1900 men employed on the Marion county road relief projects will receive the same amount of work and remuneration this month as have those who already have put in their monthly share of labor will be determined at a meeting of the county relief committee to be held today noon at the Bohemian restaurant.

Returning from a conference with Reconstruction Finance corporation representatives at Portland yesterday, members of the local committee reported that it appeared doubtful the county would receive additional \$5000 requested for this month's relief activities. The state relief committee has budgeted \$23,000 for Marion county.

The R. F. C. representatives declared that at present no funds were in sight with which to increase this county's quota, according to J. N. Chambers and County Commissioner Roy Nelson, members of the local relief committee. It was pointed out to them that administration of relief (Turn to Page 2, Col. 3)

## OVER FIVE MILLION FOR OREGON ROADS

PORTLAND, Ore., May 17.—(AP)—Oregon's share of the \$400,000,000 for roads and bridges which would be included in the public works bill introduced in congress today would be about \$5,768,000, it was stated today in a special dispatch to the Oregonian from Washington, D. C. This state's share is estimated as \$1,442,000 out of every \$100,000,000, the dispatch said.

The bill would provide for secondary roads out of the \$400,000,000, the roads to be selected by the highway commission and the secretary of agriculture, the dispatch pointed out. Maintenance of the secondary roads, however, would be up to the state or political subdivisions.

J. M. Devers, attorney for the Oregon state highway commission, was tonight analyzing the bill to determine how it would be affected in the event of its passage, according to the dispatch, and he will write the state commission for directions. It was believed at least some of the bridges on the Oregon coast highway could be built out of the allotment for this state.

## THOMAS ORDER MEANS VICTORY FOR SPAULDING

Substantial Drop in Cost Of Transportation is Effective June 1

Will Approximate \$2.50 as Compared to \$3.90 per Thousand, Estimate

Substantial reductions in freight rates between Oron and Winona, terminal points for log hauling operations of the Charles K. Spaulding Logging company, user of the Valley and Siletts and Southern Pacific railroad lines, were ordered yesterday by Charles M. Thomas, public utilities commissioner in a new rate schedule effective June 1, 1933.

The new rate substitutes a charge of \$3.00 a thousand feet for the joint haul of logs by the two railroads for the \$3.90 charge in effect the last 11 years and in addition, grants a flat \$18 a carload charge on logs hauled beyond the division line, the carload rate being effective only for 15 or more carloads at a time. On an average of 7000 board feet to the carload, the prevailing new rate would approximate \$2.50.

"While we sought a \$2 a thousand rate, the new schedule is fairly satisfactory," Charles K. Spaulding commented last night when informed of the utilities commissioner's order. "The carload rate especially meets our purposes and will make it possible for us to compete as we have not been able to do under the \$3.90 charge."

Spaulding said he was quite certain that the reduced rate meant early operation of the mill here which has been closed for two years. "We have considerable repair work to do and our final operation depends on whether or not the two railroad lines affected by the new rate order will abide by the commissioner's decision without appeal," Spaulding said.

He indicated that acceptance, without appeal, of the rate by the railroads, meant operation of the mill locally within the next few months.

On arriving at his decision, Commissioner Thomas indicated that lumber had dropped at least one-half in retail price since the rate was established and declared that railroads must take cognizance of the value of the product they are hauling.

Thomas also indicated that the time of amortization provided for the retirement of the Valley & Siletts' investment was too short and that too large a charge was being made annually to pay off the book cost of the railroad which was set at 1,983,738 in 1924. In the findings of the Spaulding rate case hearing, the commissioner cites that fact that the William W. Mitchell company has a billion feet of uncut timber tributary to the railroad, that the Spaulding interests have 450,000,000 feet and that three billion feet of timber in addition may yet be taken out over the Valley & Siletts line.

The commissioner's findings cite testimony by J. F. Newell, (Turn to Page 2, Col. 1)

## MAY SAVE ON COST OF POWER SURVEY

Hughes Proposes Utilizing Forest Service Data; Work Required

The city of Salem may save hundreds and perhaps thousands of dollars in its survey of the proposed Marion lake water and power development by the use of information already compiled by engineers of the federal forest service, Alderman S. A. Hughes announced on his return here last night. He spent the day in Portland conferring with forestry officials in regard to this development.

Mr. Hughes interviewed a Portland engineer, who, he said, probably will be employed to carry on the needed surveys, with the cooperation of the federal forest service. The city is required to make certain surveys if it is to retain its water and power rights at the lake.

The Marion lake development, a municipal disposal plant and the proposed municipal power will be among the projects Alderman Hughes and his committee will suggest to Governor Meier for inclusion in Roosevelt's public works program. Aldermen David O'Hara and Carl Atkinson, who are the other members of the committee studying these projects.

House completed congressional action on Tennessee valley-Muscle Shoals bill by adopting conference report.

## Changes in Hop Market Lacking

No change in the hop market was recorded yesterday, the top price staying tight at 75 cents. Although there were no sales, new inquiries from the east were reported.

## Tuition-Transportation Battle Looms in County

high school area is concerned, has already been divided into five zones by the boundary board. Each of these zones is entitled to a representative on the board. While the election June 21 will be by the non-high school territory at large, the highest candidate in each zone will be picked.

A slate of pre-transportation candidates has been circulated and it is understood the Education Promotion association, which believes in transportation, will attempt to center its support on one candidate in each zone.

Heretofore the matter of transportation was mandatory on the county boundary board which had to arrange routes, make contracts with schools and provide for a sufficient tax levy to pay the transportation costs up to \$40 a pupil a year. The new (Turn to Page 2, Col. 1)

## The Day in Washington

By Associated Press

President Roosevelt asked congress to authorize \$2,500,000,000 public works program and industrial cooperative control power.

House completed congressional action on Tennessee valley-Muscle Shoals bill by adopting conference report.

Federal reserve board advisory council delegation reported to President Roosevelt sustained and well spread business improvement.

House banking committee approved senate bill to permit reconstruction corporation purchase of insurance company bonds.

Senate took up Glass banking reform bill but postponed debate as it continued impeachment trial of Federal Judge Harold Louderback of California.