

## BRANCH BANKS QUESTION MAY REACH COURTS

### National Groups' Right to Establish Sans Permit By State at Issue

### Advantage in Competition With Old Institutions Is Seen in Setup

By SHELDON F. SACKETT  
While branch banking is developing rapidly in Oregon, there remains a legal question whether branches of national banks may be established without specific permission of the state superintendent of banks.

If they cannot be, branches which have already been opened in eastern Oregon or shortly are to be opened—all subject to provisions of the 1933 Oregon laws which provides a \$100 a day penalty for banks operating without permission of the state banking superintendent. If such permission is not legally required, recent openings rest entirely with the comptroller of the treasury and no penalty will be assessed.

While no public objection has been registered as yet by state officials to the opening of branch banks without permission, it was revealed yesterday at the state capitol that such objection has been made and state authorities are now debating the procedure to take.

### Important Issues Seen in Controversy

The importance of the controversy lies in the fact that if the newly enacted Glass-Steagall and the 1933 Oregon branch banking enactments do not regulate the establishment of branches of national banks in this state, the citizens of Oregon are without direct control over their banking system, except in the case of state banks.

Opening of new branches as now proceeding is being made against the written opinion of the attorney-general who on June 27 held that it was necessary for a national banking association to obtain permission of the state banking superintendent before opening any branch. A. A. Schramm, state banking superintendent, advised Portland national banks of the opinion but counsel for at least one of the banks took issue with the attorney-general and is said to have advised his firm to proceed without regard to the state law, holding it not binding on national banking associations.

In his written opinion, Attorney General Van Winkle cited paragraph (c) of the national banking act which authorized branches. This section reads that establishment of branches shall be "subject to the restrictions as to location imposed by the law of the state on state banks."

### Attorney General Cites New Statute

The attorney-general then cited section four of Chapter 150, Oregon laws, 1933, which reads: "Before any branch is established the board of directors of any bank shall make application to the superintendent of banks. Such application shall be filed and published and shall be investigated and approved or disapproved by the state superintendent of banks and shall be subject to appeal to the state banking board. No bank shall establish or operate any branch or branches without first receiving the written approval of the state superintendent of banks. The fee for filing such application shall be \$50."

The importance of the right of the state to determine where branches shall be located is being stressed by state officials.

In many communities where branches are contemplated by national banks, locally owned banks are either on a restricted basis or are in the process of liquidation. Through the state banking department's supposed right to issue permits to branch banks, a favorable deal by which the incoming branch or branches would take over a portion or all of the local bank was expected to be arranged. Need of Community Will be Considered.

In case two banks wished to establish branches, state banking authorities expected to use discretionary powers under the law in determining which branch or branches would be allowed to locate in an Oregon community. The viewpoint of the local community would also be considered by the state authorities.

If the view contrary to the attorney-general's opinion prevails, the incoming branch is under no obligation whatever to assume any liability for the restricted or insolvent bank already in the town.

Furthermore, national banks are given great advantage over state banks in establishing branches if the attorney-general's opinion is ignored. Under the 1933 state law, no branch can be established in a community which already has a going bank without the purchase of at least one bank already there and the conversion of this purchased bank.

## Canadians Welcome U. S. President



This remarkable demonstration of the cordial relations between two nations which maintain an unfettered border, was occasioned by the arrival of President Roosevelt's yacht Amberjack II at Campbell Island, goal of his recent vacation cruise. At top, the entire population of the small community is shown lined up to welcome the president. Lower photo shows the president being greeted by Premier Leonard Tilley of New Brunswick. At right is Norman Davis.

## MAINTAIN SCHOOLS IS PLEA OF ICKES

### Denying Education to Many Children Fatal Policy Says Secretary

CHICAGO, July 6. — (AP) — Secretary of the Interior Harold L. Ickes tonight predicted an American dark age if the public schools were "deviated by economic forces."

"If at this critical stage we continue to deny educational opportunities to literally millions of our children," the cabinet member said, "our country will suffer when those millions, uneducated, undertake the responsibilities of government."

"What we are going to do about our schools is the most important question before the American people. Are we going to let them slip back into an era of unenlightenment, bigotry and ignorance?"

Secretary Ickes was speaking before a session of the National Education association's convention.

Admitting that many of the schools had been expensive and wasteful, up to 1929, Secretary Ickes said, "All of us were truly as reckless."

"America has for years been 'living on its capital,'" he said, "depending for prosperity upon 'ruthless destruction' of its resources. He warned against a similar waste of the country's 'human resources,'" which he said would result if educational facilities were decreased.

## Oregon Briefs

### WANT IT "OVER WITH"

GRANTS PASS, July 6. — (AP) — John Barrier and Harry Boies, Los Angeles youths, today waived their right to a hearing before the county grand jury and will go directly before the circuit court for trial on a charge of first degree murder for the slaying last week of a state policeman.

The two said they were anxious to "get it over with." They were captured less than an hour after Patrolman Burrell Milo Baucom was shot to death when he stopped their car to question them about its ownership.

Police said Barrier, 17, admitted it was he who riddled the policeman's body with bullets. Bowles is 21 years old. They were driving an automobile stolen in Los Angeles and said they were on their way to Seattle to engage in several holdups.

Josephine county officials said that as far as they were able to learn, there have as yet been no defense plans made by the youths.

## Woman Dies, Ten Firemen Are Injured

### LYNN, Mass., July 7. — (Friday) — (AP) — A woman was burned to death and 10 firemen were seriously injured early today as fire swept a two and a half story wooden building in Federal square, West Lynn.

The dead woman was Mrs. Rose Blair, 55, who was trapped and burned to death in her second-story room. The firemen were injured as the building collapsed. Four children escaped.

The firemen had recovered Mrs. Blair's body and were lowering it from a second-story window when the collapse occurred. Six firemen were inside the house and the other four were on ladders or close under the walls.

The walls of the building fell outward toward the street, carrying the fire fighters with them. Volunteers and firemen responding to a general alarm, had the injured men out of the wreckage within an hour. All were in serious condition at Lynn hospital.

The cause of the fire was unknown. The building was occupied on the first floor by a store. Mrs. Blair occupied the upper floors.

## 115 Elk Teeth Taken by Thief

### PENDELTON, Ore., July 6. — (AP) — Jim Craig, reservation Indian, would like to stage a one-man insurrection against the prospector who broke into his home near Cayuse. The intruder took one of Jim's choicest possessions: A collection of 115 elk teeth.

## Slayers Waive Hearing

### Federal Jurors Called Convict Campus Sluggers Portland Deposits Gain

### KETCHUM IS GUILTY

CORVALLIS, July 6. — (AP) — Howard Ketchum, Corvallis youth, was convicted in circuit court here today on a charge of striking Estelle Schultz over the head while she was walking on the Oregon State college campus last winter.

Miss Schultz, the principal witness for the state, identified Ketchum as the man who slipped up behind her on the campus walk, struck her with a blunt instrument, and fled. She sustained a scalp wound, but was not stunned. The jury deliberated only a short time. Circuit Judge Norton of Medford was scheduled to pass sentence tomorrow.

## NEARLY FIVE MILLIONS

PORTLAND, July 6. — (AP) — Despite one of the most trying years in banking history, Portland banks gained \$4,511,429 in bank deposits in the year ending June 30. On deposit in Portland banks last June 30 was a total of \$130,375,969, compared with \$125,864,594 on June 30, 1932.

A year ago 17 banks were operating in this city. Today seven are operating, two on a restricted basis. Eight of the former separate banks, however, have become branches of either one of two of the city's larger banks.

The United States National bank, with deposits last June 30 of \$69,947,969, was shown to be Oregon's largest bank and was said to be the largest bank in the Pacific northwest.

## PROPOSE CODE FOR ORCHARD INDUSTRY

### Wenatchee Plan Discarded At Spokane Meeting; Will Be Referred

SPOKANE, Wash., July 6. — (AP) — A tentative code for operation under terms of the federal agricultural adjustment act was agreed upon by the committee of 20 of the Northwest Fruit Industry, Inc. here tonight.

The committee, representing 12 districts in Idaho, Oregon, Montana and Washington, adopted articles of incorporation and by-laws, and will submit them to growers and shippers in the four states for approval. They must also be approved by the secretary of agriculture.

At a meeting here next Tuesday trustees of the organization will be elected, and the name of the code probably will be changed to the Northwest Fruit Industry association, members of the committee said.

The code was adopted after a proposal for the so-called "Wenatchee plan" presented by J. M. Wade, of Wenatchee, was defeated. Members of the committee said the vote was 16 to 4 against Wade's proposal.

## FOOD CONSERVATION PLAN IS ANNOUNCED

### PORTLAND, Ore., July 6. — (AP) — Raymond B. Wilcox, chairman of the state relief committee, announced today that state-wide program of food conservation will be included in plans for unemployment relief in Oregon.

County committees, he said, will be asked to aid in the program. The conservation of surplus produce from "subsistence gardens" for which seed has been contributed by the federal government will be emphasized, Wilcox stated.

Paul V. Maris, director of extension, Oregon State college, and Mrs. W. W. Gabriel of Portland have been placed in charge of the program for food conservation. Mrs. Gabriel will also direct a clothing conservation program, Wilcox said. Miss Claribel Nye, state leader of home economics extension, will assist in the program.

## Perrys Elected Officers, State Druggist Group

GEARHART, Ore., July 6. — (AP) — Harry Daper of Oregon City was elected president of the Oregon State Pharmaceutical association at its 44th annual convention here today.

Other officers elected included Roy Perry of Salem, vice-president; J. C. Perry of Salem, treasurer; and Edgar Stipe of Portland, secretary.

The delegates are devoting the major part of their attention at this convention to the drafting of a code of ethics in accordance with the national industrial recovery act. The code was scheduled to be passed on tomorrow.

## CONTRACTS FOR SCHOOL TUITION WILL BE SIGNED

### Amount Will Be Based Upon Current Costs; No Sign Of Competition Seen

### Latitude in Selection of High School to Attend Is Granted Pupils

Tuition contracts between the 13 standard high schools of Marion county and the county board of education for non-high school districts will be entered into for the year 1933-34, representatives of the high school districts agreed with the board at the latter's meeting here yesterday.

Costs for tuition will be determined by a pre-arranged schedule of current costs under which all high schools will operate. The board announced it would be lenient in its determination of the schools the tuition-paying group should attend, the presumption being that the student from a non-high school district would attend the school nearest to his home.

### No Attempt Made to Beat Down Costs

No attempt to beat down high school costs or to bid on tuition charges between the schools appeared at the meeting.

The board announced at adjournment that it would reconvene at the courthouse next Tuesday and at that meeting sign the contracts with the various high school districts.

While detailed statements were made by each high school district of its costs for 1932-1933 and its proposed costs for the coming year, the board made no general criticism of the costs submitted to it. Variance in per pupil cost between the 13 districts was attributed largely to the wide-spread variance in the number of pupils attending the specific school. School administrators were reluctant to estimate costs per pupil for 1933-1934 holding that determination would largely depend upon the number of pupils enrolled next fall.

Seven specific items of cost are to be included in determining tuition by each high school. These (Turn to page 13, col. 3)

## FIGHTER, MANAGER INJURED IN CRASH

### GRANTS PASS, July 6. — (AP) — Harry Thomas, Seattle fighter, and George Burns, his manager, suffered injuries in an auto wreck on the curves of Smith hill near Wolf Creek north of here today that will prevent Thomas from entering the ring in Seattle on a boxing card scheduled for July 11, he said.

Thomas was painfully bruised around the head, and has a swollen left arm punctured by a splinter of glass or wood. Burns neccitated several stitches. The manager was seriously cut about the head and is being cared for at the Josephine general hospital. Three others in the car, Joe, Victor and Emanuel Ponce, were uninjured.

## New York City Brush Marines Are Sent Home

PENDELTON, Ore., July 6. — (AP) — Sixteen young men from New York City, stationed at the Ball Prairie reforestation camp in Grant county, Umattila national forest, will soon be on their way home, the result of a discharge from camp following fighting and rioting which occurred yesterday.

State police in this district and Morrow county officials were called in to quell the trouble.

All but 52 of the 230 men in the camp are from the state of New York. Camp officials said those from New York city have been "very troublesome."

## Late Sports

PORTLAND, Ore., July 6. — (AP) — "Strangler" Lewis of Glendale, Calif., defeated Dan Koloff of Chicago, two falls out of three, in the main event of tonight's wrestling card here. Lewis weighed 240, 20 pounds more than Koloff.

Okki Shikins, 215, Japan, took the straight falls to win the semi-wildcat from Everett Kibbons, 210, Chicago.

Wong Buck Cheung, 214, Chicago, won the opener from Billy Severo, 220, Dubuque, Ia., taking one fall.

STOCKTON, Calif., July 6. — (AP) — Gus Sonnenberg, 215 pounds, Boston, won a wrestling match from Ted Cox, 220, Lodi, here tonight as the latter was disqualified after each had taken a fall.

## Strict Weeding - Out Of Needless Public Works, Douglas Plan

### States Must Show Balanced Budgets to Obtain Loans and Grants; President to Prune List Carefully, is Forecast

WASHINGTON, July 6. — (AP) — Strict weeding out of non-essential construction projects from the government's public works program was advocated today by Director Lewis W. Douglas of the budget as he assisted President Roosevelt in scanning the long list of undertakings proposed by the special public works board.

The budget director, talking to newsmen after conferring with the president, emphasized that he was seeking caution all along the line in the big expenditure plan, and that he was urging emphatically that the states be required to show balanced budgets before they be allowed to participate.

Mrs. Roosevelt, who some time ago urged that only useful projects be included in the \$3,300,000,000 building program was expected to cull the list considerably.

Meanwhile, the president called in Secretary Wallace, George N. Peek, the farm relief administrator, and Hugh S. Johnson, industrial administrator, to work out an agreement by which it was decided to leave all administration of food and food products industries to the agricultural administration. Both the agriculture and justice departments already have started looking into the question of food price increases.

Johnson, who had his report on the cotton textile industry's code of fair competition ready for submission to the president, postponed presenting it because of other business. Nor did he find time today to give the chief executive a thorough going review of developments under his administration.

## CANNERY TO AID IN RELIEF CONSIDERED

### Portable Plant Used Last Year in Josephine is Available, Report

The Marion county court yesterday was seriously considering purchase of a portable cannery to be used throughout the county this summer and fall to provide food supplies for needy families this fall.

The idea took root when it was learned this week that the cannery plant so successfully operated in Josephine county last summer was for sale, the individual owning it wishing to realize cash for his investment. One hundred and fifty thousand units were canned in the southern Oregon county last season, the food and fruits being instrumental in handling relief work there last winter.

If the county here acquired the plant the plan would be to take the cannery about the county, doing canning on shares, the county furnishing the cans, the plant and a portion of the help. Food stuffs used in the cannery would be supplied by gardeners and farmers who would receive a share in the day's output of the cannery. The county would use its share for relief distribution this coming winter.

Cans are available at \$24 a thousand, the county has learned. Roy Melson, county commissioner, planned today to get in touch with the owner of the portable cannery to ascertain the price of the outfit. Similar canneries were used with much success in other states last summer.

## INCREASE IN BREAD PRICE IS FORECAST

Processing tax on top of rising flour costs cited as reason

Rising flour costs and slapping on of the federal processing tax July 9 are certain to bring increases in bread prices here soon, several bakers declared yesterday. The extent of the increase and its spread over different types of bread were not generally agreed upon in the various bakers' statements.

"It will be a case of boost wholesale prices or lay off several employees," one baker asserted. He said the jump in flour prices already was putting him in the red daily.

Another baker anticipated increases in the price of lower grade bread but not in that of top grade.

The pound loaf selling for five (Turn to page 13, col. 7)

## Youth Asleep on Railroad Tracks Killed by Train

OAKESDALE, Wash., July 6. — (AP) — Wilson Davis, 13, who apparently fell asleep as he sat on the Great Northern railroad tracks here while cattle he was herding grazed nearby, was killed by a northbound passenger train today.

Trainmen said the youth sat upon the locomotive which was less than 100 feet away, but appeared to be in a daze. The train struck him before he had time to roll or crawl to safety.

The youth came here from Sharon to spend the summer with an uncle, Frank Blair. His mother, Mrs. A. C. Carman, a sister and two brothers survive.

## Holman and Meier Clash Again on Low Bid Issue

The sharp division between Governor Julius L. Meier and Rufus C. Holman, state treasurer, was further illustrated yesterday when the two members of the state board of control found themselves wholly at variance over the letting of contracts for the installation of a boiler and a pump at the state penitentiary.

## MONEY, TARIFF ISSUES BANNED AT BIG PARLEY

### Roosevelt Through Hull and With Help of Canadians Saves Conference

### French say it is Actually "Dead"; Dutch and Swiss Delegates go Home

By CLAUDE A. JAGGER  
LONDON, July 6. — (AP) — The world monetary and economic conference, given up as lost by prominent delegates even as late as this morning, was saved from complete collapse today by President Roosevelt, acting through his secretary of state, and with assistance of the Canadian prime minister.

A decision to continue the conference, but with monetary and tariff matters excluded, was reached by the steering committee in the second of two meetings during the day.

Acting on last minute instructions from (25) president and disregarding the vote of his own delegation favoring a recess, Cordell Hull, American secretary of state and chief of the steering committee in the second of two meetings during the day.

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