

Vacation Time
Keep posted on local
news while on your vaca-
tion. Have The Statesman
follow you. Telephone 9101
in ordering change.

The Oregon Statesman

FOUNDED 1851

Salem, Oregon, Saturday Morning, July 8, 1933

WEATHER

Cloudy today, probably
fair Sunday, little change in
temperature; Max. Temp.
Friday 82, Min. 44, river 9
feet, north wind.

EIGHTY-THIRD YEAR

No. 89

AMERICA TRIES TO GET MONEY ISSUE REVIVED

Wins one Tussle, Loses in
Another but Hopeful of
Final Success

Reconstruction Question is
Retained in Agenda of
World Conference

By ALVIN HALLMAN
LONDON, July 7.—(AP)—
Fresh from saving the life of the
international parley, the American
delegation at the world economic
conference waged a strong
fight today to retain monetary
and related matters on the agenda,
won a victory in one sector
and was rebuffed by a small margin
in another.

The action took place in a
committee of the economic
commission and a sub-group of the
monetary division.

In the former, the committee on
commercial policy, a proposal to
continue discussion of tariffs and
quotas was voted down eight to
seven. France and her gold allies
there joined hands to turn back the
United States, Great Britain and
others.

The American victory was in the
sub-committee of the monetary
commission dealing with immediate
measures for financial reconstruction.
There, after hours of
debate, the members voted 25
to 15 to continue discussions of
every phase of the agenda.

These developments came during
a day which also saw:
Senator James Couzens of Michigan
urge continuance of endeav-
ors along lines which would re-
turn 30,000,000 persons to work;
a disclosure that American
headquarters in drafting a resolu-
tion seeking world-wide shortening
of hours of work and raising agri-
cultural prices; and

Bewilderment in French circles
concerning international finan-
ces, with a partial breaking of
Great Britain's financial position,
a drop in the British pound on
the French market and slumps in
American and Canadian dollars.

Highest American quarters ex-
pressed satisfaction with the progress
made and were firm in the belief
that the day's single reverse
would be overruled when the bureau
(steering committee) meets
Monday to consider the reports
of the sub-committee.

TONG WAR IS OUT, CHINESE PROMISE

PORTLAND, Ore., July 7.—
(AP)—Portland police were as-
sured tonight by the Portland
Chinese peace society that a peace
pact would be signed by the Bing
Kung Bow Leong and the Suiy
Sing Tong within a few days, and
that there is no danger of a tong
war flaring up here.

Police had warned Chinatown
that if the two tongs did not settle
their differences without a threat
of violence, they would move in
to take charge of the situation,
backed by deputy sheriffs and
the state police.

Because of the impending per-
manent truce, a meeting which
was to have been held tonight by
the peace society was canceled. A
delegation of tongmen from San
Francisco, it was said, will arrive
here tomorrow. It is expected that
the Seattle peace delegation, already
here, and the Portland and San
Francisco groups will agree to
final details of the peace pact tomorrow.

Lad Pedals Over Mount Hood Loop In Twenty Hours

PORTLAND, Ore., June 7.—
(AP)—One of the ways Ormand
A. Binford, 16, of Portland cele-
brated his vacation: Pedaled a bi-
cycle from Portland up the Col-
umbia river highway to Hood
river, up the steep grade that circles
Mount Hood, and back to
Portland yesterday. The route,
known as the Mount Hood loop
highway, is 170 miles. Binford
made it in 20 hours. He had to
"get out and push" over some of
the steeper grades that seem al-
most to touch the snow line, but
after he reached Government
camp it was a steady coast almost
all the way home.

Recall Measure Goes on Ballot

The recall measure involving
V. S. Howard, district attorney
of Jefferson county, will go on
the ballot at the special election
July 21, despite the previous an-
nouncement by the state depart-
ment that two of the petitions
apparently were defective. How-
ard was charged with inefficiency.

President Suspects Industries Fudging To Gain Advantage

Rush of Production to Fill Shelves Before
Codes go Into Effect is Surmised;
Hearings Will be Hastened

WASHINGTON, July 7.—(AP)—A curb on production
to prevent its leaving employment behind was sought
today by President Roosevelt through hastening the com-
pletion of industrial codes.

Earlier, concern over the situation had been expressed
by Hugh S. Johnson, the national recovery administrator,
who urged industries to step
briskly forward with agreements
to restore purchasing power by
putting men back to work.

Both the president and John-
son suspect some manufacturers
are working overtime to fill up
their shelves before the con-
templated codes go into effect.

Thus far, hearings have been
held on one proposed agreement,
that affecting the textile indus-
try. It has not been formally sub-
mitted to Mr. Roosevelt by John-
son but probably soon will be,
and the administration's hope is this
will be first in a swift succession.

Mr. Roosevelt today carefully
studied charts showing steady in-
creases in prices for farm prod-
ucts and manufactured goods and
gains also in both production and
employment.

But the employment line has
not climbed as rapidly as the
production line. The president re-
gards this as distinctly unhealthy
and as something requiring im-
mediate attention.

The interest reduction falls
heavily on the income to the
county which in 1932 received
\$13,741 on its deposits with
banks of this county. By the 1933
budget \$15,000 was set as the
estimated income from interest on
the county's deposits this year.

For the first five months of 1933
the county received \$4400 interest
(Turn to page 2, col. 1)

WARREN INDICTED FOR FATAL CRASH

Manslaughter Charge Faces
Driver, Aftermath of
July 1 Accident

An indictment of involuntary
manslaughter was returned
against N. J. Warren here late
Friday by the Marion county
grand jury. Charges grew out of
an accident on the Pacific high-
way near Hubbard on July 1 in
which Donald Suevich, 12, of
Oregon City, received injuries
which resulted in his death July 2.

Warren was held by the grand
jurors to have been driving while
intoxicated. Warren's bail was
set at \$1500 and he furnished it.
The accident occurred when
Warren, driving uncertainly ac-
cording to the grand jury report,
swerved into the parked car of
Adolph Hensel. Warren had picked
up young Suevich in Oregon
City and had agreed with
the lad's father to take him to a
farm home in the country
south of his home. The boy asked
Warren to stop or to turn off,
it was told the jury, but Warren
kept on driving south.

The indictment is the second
one for involuntary manslaughter
on charges of drunken driving
issued in Marion county in the
last 30 days.

Electric Storm Hits Deschutes National Forest

BEND, Ore., July 7.—(AP)—
An electric storm passed over the
southern part of the Deschutes
national forest late today, hurling
lightning bolts into the dry
woods. Forest telephone lines
were out of commission, broken
by falling trees, and the central
dispatcher's office in Bend was in
touch only indirectly with look-
outs. No fires were reported.

Financial Situation Here Improving, Reports Show

Salem's banking picture, shown
by reports of condition this week,
reveal a steadily improving fi-
nancial situation in this commu-
nity.

Gains of \$551,000 in deposits
since the end of 1932 were report-
ed by the two fully operating
banks while gains in cash in the
assets of the two banks totaled
\$787,898. Much of this increase,
bankers pointed out, being due to
price increases of the last 90 days
and especially to the boom mar-
ket in hops which brought much
new money into Salem and result-
ed in heavy liquidation of bank
loans.

The current reports show that
the two operating banks have
gained back much of the deposit
totals they held a year ago when
on June 30, 1932, the two local
institutions held \$4,439,885, com-
pared to \$6,291,424 at the end of
June, 1933.

In the 12-month period both
banks markedly increased their
liquidity. Loans totaling \$46,
954,127 in the two banks a year
ago were reduced to \$3,458,968
by mid-year of 1933. At the same
time cash increased almost a mil-

SALEM, COUNTY LOSE INTEREST UPON DEPOSITS

Rate cut 75 per Cent due
To Glass-Steagall law
Provisions, Word

Will be Short on Budgeted
Receipts as Result of
Changed Practice

Officials of the City of Salem
and of Marion county have re-
ceived notice this week that ef-
fective July 16 local banks will
pay only one-half of one per cent
interest on commercial deposits
received from the city and the
county. For many years hereto-
fore two per cent interest on daily
balances has been paid the munic-
ipality and the county.

Official notice from the banks
cites the recently enacted Glass-
Steagall banking law which for-
bids payment on commercial de-
posits "with certain exceptions."
These include payment where spe-
cified by state law. The present
Oregon code provides for two per
cent on state deposits but the
1933 session of the legislature
made it possible for banks to bid
for county and city deposits at
lower rates or to pay no interest
if it was deemed wise.

Bankers in making the 75 per
cent reduction in interest rate
point to the fact that they are no
longer able to receive interest on
their own deposits with city banks
and thus their source of income is
diminished.

The interest reduction falls
heavily on the income to the
county which in 1932 received
\$13,741 on its deposits with
banks of this county. By the 1933
budget \$15,000 was set as the
estimated income from interest on
the county's deposits this year.

For the first five months of 1933
the county received \$4400 interest
(Turn to page 2, col. 1)

THOMAS REQUESTS ASSESSMENT RIGHT

Authority to expend approxi-
mately \$27,300 in excess of his
legislative allowances and assess
the same against the county, was
urged by C. M. Thomas, state
utilities commissioner, in a
letter sent to the state emer-
gency board Friday. Assessment of
this amount against all utilities
for investigation purposes was au-
thorized under an enactment of
the 1933 legislature and is based
on gross revenues.

"The public utilities commis-
sioner finds that an emergency
has arisen in the performance of
his duties with respect to public
utilities," Thomas' letter to the
emergency board read. "Such an
emergency will require the ex-
penditure of a sum of money greater
than the amount available or to
be available in the public utilities
commissioners fund for the year
1933."

Thomas said the additional
money was required because of an
enlarged office personnel and in-
vestigations involving the North-
western Electric company, Inland
Power and Light company, Port-
land Gas and Coke company,
Mountain States Power company,
California-Oregon Power com-
pany, Pacific Power and Light
company and the Elysee engine-
ering and management company.

Will Scan Bids Early in Week, Widening Units

Bids will be opened by the
state highway commission in
Portland Tuesday for the widening
and resurfacing of the Pacific
highway between Brooks and
Aurora, it was announced at the
state highway department Friday.
The cost of the project was es-
timated at \$260,000.

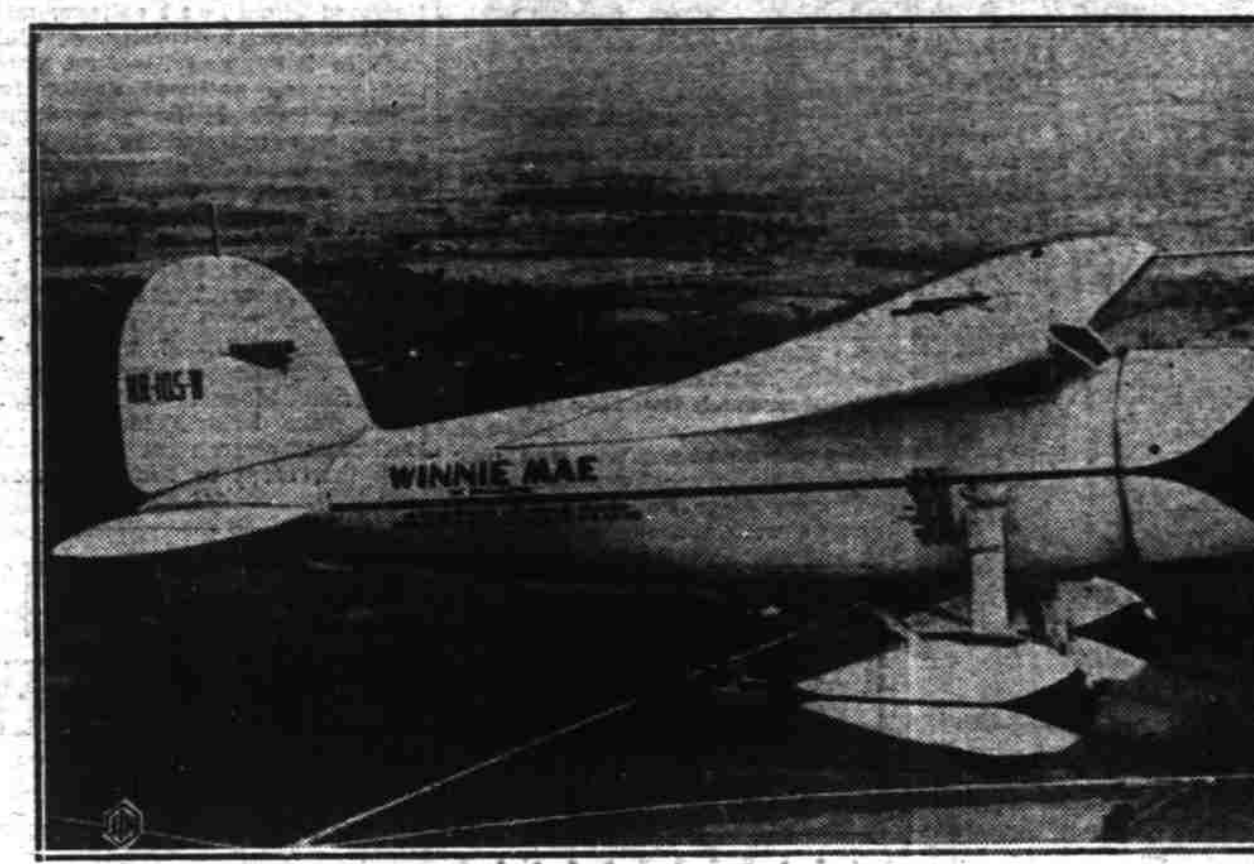
At a previous meeting of the
commission all bids for the work
were rejected. The project will
be improved in three units, and
actual construction operations
will begin as soon as the con-
tracts are awarded.

Jury for Case of Schmerhorn is Finally Selected

MEDFORD, Ore., July 7.—(AP)—
Selection of a jury to hear the
trial of Gordon Schmerhorn,
suspended Jackson county sher-
iff, on a charge of complicity in
the theft of several thousand bal-
lots from the county courthouse,
was completed today, and opening
statements were started by Pro-
secutor Ralph E. Moody.

Schmerhorn was indicted with
about 20 others on a charge of
complicity in the ballot theft,
which occurred on the eve of a
recount of votes to determine the
legality of his election as sheriff.

Seeks Success Where Mattern Failed



Jimmie Mattern may, if his plane is still intact, complete the first solo
flight around the world. If he
does, no matter how long it takes, it will be a record. But it will
be immediately challenged by
Wiley Post in this famous plane, the reconitioned "Winnie Mae," in which he and Harold Gatty
circled the globe two years ago. Post plans to hop off sometime
this month. Post has installed a
robot control, but has lightened his ship by removing all windows,
landing lights and other equip-
ment that might caught wind resistance.

COTTON REDUCTION ACCEPTANCE LOOMS

Hundred Million Dollars to
Be Received by South,
Program Result

(Copyright 1933 by the
Associated Press)

WASHINGTON, July 7.—(AP)—
The cotton acreage reduction
program appeared virtually cer-
tain of acceptance tonight and as
a result the next six weeks will
see upwards of \$100,000,000
pouring into the 16 cotton states.

An extension of the time for
growers to sign contracts to plow
up from 25 to 30 per cent of their
present crop is believed neces-
sary by President Roosevelt, how-
ever, and this will be authorized
formally tomorrow by Secretary
Wallace.

At the same time that he au-
thorizes a time extension for sign-
ing contracts, Wallace will make
public the figures showing the
number of acres growers have
agreed to take out of production
up to today. State extension di-
rectors were instructed today to
forward their latest totals to the
secretary.

The campaign, under way dur-
ing the last two weeks, was to
have ended Saturday night but
numerous delays, particularly in
distributing blank forms to grow-
ers, made it impossible to give all
of them a chance to act on the
proposal.

Meanwhile, farm officials look-
ed forward as keenly as operators
at market centers for tomorrow's
first official cotton report of this
year. It will be made public by
the crop reporting board at 11
a.m. E. S. T., and will provide the
government's first estimate of this
year's cotton acreage.

STARTS FIVE YEAR PRISON SENTENCE

Frank Keller, Jr., was dressed
in yesterday noon at the state
penitentiary to begin serving his
sentence of five years received
as a result of his activities in con-
nection with the Empire Holding
company and the Elysee engine-
ering and management company.

Keller was convicted in Polk
county last year of devising a
scheme to defraud through the
sale in the state of securities of
the Baldwin Radio company of
Montana held by the Oregon cor-
poration which sold hundreds of
thousands of dollars worth of its
stock in this state. He was an offi-
cer in the concern with which a
number of prominent Oregonians
were connected.

Since his conviction he has been
out on bail and was only recently
denied a rehearing by the state
supreme court.

Late Sports

LOS ANGELES, July 7.—(AP)—
The Jockless Missions dropped
both games of a double header
here tonight to the Angels, mak-
ing it six straight. Los Angeles
took the opening game 9 to 1 and
the seven inning nipout 7 to 2.

Second game:
Mission..... 2 7 1
Los Angeles..... 7 10 2
Cole and Duggan; Ballou and
Cronin.

OAKLAND, Cal., July 7.—
(AP)—Oakland took both games
of a coast league doubleheader
from Sacramento here tonight,
the first 5 to 3 and the second, a
seven inning contest, 2 to 1.

Second game:
Sacramento..... 1 9 0
Oakland..... 2 8 2
Byran and Woodall; Joiner and
Kenna.

Roisterers Rock Boat; Lad Drowns

BELLINGHAM, Wash., July 7.—
(AP)—An alleged drunken
carousal in the shack village of
Bellingham's waterfront tonight
ended with the drowning of a 13-
year-old Indian boy, Joshua Benn,
and the arrest of five men and a
woman.

Those killed were Mrs. Bernard
Winters, 41; her husband, Bar-
ney Winters, 36; Roy Stingley,
49; Harry M. Gott, 57; William
F. Barker, 52, and Edward Gil-
roy, 46.

The boy lost his life in about
seven feet of water when mem-
bers of the boisterous party climb-
ed into his rowboat and amid hil-
arious revelry overturned the
small craft, investigating officers
said.

Mrs. Winters and Barker were
rescued by Gilroy.

WHEAT HARVEST IN WASCO SAID SHORT

THE DALLES, Ore., July 7.—
(AP)—The wheat harvest in
Wasco county, scheduled to get
under way within the next 10
days, will be about 70 per cent
of the average year average. Wray
Lawrence, county agent who con-
ducted a survey in conjunction
with the United States depart-
ment of agriculture, said today.

Lawrence attributed the 30 per
cent decrease to freezing weather
last winter, which made necessary
an extensive reseeding of spring
varieties. Lack of moisture this
spring and damage from heat
were also factors, he said.

Wasco county's five-year av-
erage is 1,148,599 bushels of win-
ter wheat and 74,652 bushels of
spring wheat. A 70 per cent yield
would mean 803,819 bushels of
winter and spring wheat.

Because of climbing wheat
prices, however, Lawrence said
it is expected farmers in the county
will receive twice as much for
the total crop as they did for the
1932 yield.

AMELIA ON HER WAY

UNITED AIRPORT, Los An-
geles, July 7.—(AP)—Amelia
Earhart, trans-Atlantic flier,
hopped off from here tonight at
11:13 o'clock in a speed flight to
Newark, N. J.

Foreclosure is Planned, City Improvement Liens

Foreclosure actions on a num-
ber of improvement liens held by
the City of Salem will be started
before the month ends, Chris J.
Kowitz, city attorney, announced
yesterday.

Kowitz said his initial actions
would be directed against prop-
erty where the liens were far de-
linquent and where the city, un-
less it proceeded at once, was in
danger of losing any equity it held
in the property due to the state,
county and other districts' tax
claims.

City officials have all agreed
that a more rigorous policy of col-
lecting liens on real property, in-
curred for sidewalk and street
improvements, was imperative in
order to meet maturing principal
payments as well as interest on
Bancroft bonds.

A number of weeks ago the
city council authorized its ways
and means committee to employ
a lien collector at not to exceed
\$4 a day. Collection cards showing
the amount of outstanding claims
against real property have been
prepared by the city attorney's of-
fice but to date the ways and
means committee has not agreed

BUSINESS COLLEGE GRADUATION HELD

Mayor McKay in Address to
Class Cites Regaining
Of Forgotten Values

Graduation exercises for 14
students of the Capital Business
college were held at that institu-
tion last night, with a pleas-
ant reception following.

Mayor Douglas McKay gave the
address to the graduates,
stressing to them that education
is not an end but merely a tool
with which to work—and work
not less but more.

Optimism for the future of
the young students was expressed
by Mr. McKay, who told them
that the last few years of de-
pression has wiped out a false
premises of success based fanati-
cally on wealth, and substituted
in its place a knowledge that
hard work, honesty and integrity
are just as valuable in business
as they were a hundred years ago.

The past few years have taught
business men and employees, along
with others, to enjoy some fun-
damental things that were passed
by when all were trying to get
rich, he emphasized. Education,
too, has taken cognizance of
keener values.

W. I. Staley, president of the
college which is now in its 44th
year, presided at the exercises.
Musical numbers given by Gladys
McIntyre Thomas, Elizabeth Boy-
lan and the Doorken quartet
augmented the effective program.
Rev. W. C. Kantner gave the in-
(Turn to page 2, col. 4)

Parasite Earwig Shipment Coming Here Soon, Word

PORTLAND, Ore., June 7.—
(AP)—The idea may be "buggy"
but there's nothing nonsensical
about it. Other communities in
Oregon and Washington have
placed orders with the city of
Portland for 12,000 parasitized
earwigs, to be used in a campaign
against earwigs. Uncontrolled,
the insects, about twice the size
of ants, get into everything from
the rose bushes to the bed blank-
ets.

Among the cities that have as-
ked for the parasitized earwigs
are Salem, McMinnville, Hub-
bard, Independence and Sunny-
side in Oregon, and Stevenson,
Wash.

The earwig is a pest which has
been the cause of much trouble
for the fruit and vegetable in-
dustries of the Pacific Northwest
for many years. It is a small, six-
legged insect, about the size of a
bee, with long, thin, pointed
abdomen.

Appeal is Filed Against Placing Names on Ballot

Appeal was filed in the state
supreme court Friday in the
mandamus proceeding, brought by
Peter Zimmerman, Morton Tom-
pkins and Dr. A. Slaughter, can-
didates for state power commis-
sioners under the grange power
law, to compel the secretary of
state to place their names on the
ballot at the special election July
31.

Judge McMahon of the Marion
county circuit court Thursday
signed a writ of mandamus. Ar-
guments in the case will be heard
by the supreme court next Tues-
day.

The case arose from the action
of the secretary of state in re-
fusing to place the names of the
three candidates on the ballot at
the special election July 31.

The secretary of state refused to
place the names of the three can-
didates on the ballot at the special
election July 31, because he con-
sidered them ineligible. He con-
sidered them ineligible because
they had not filed their names
with him before the deadline of
July 21. The secretary of state
said that the candidates had not
filed their names with him before
the deadline of July 21. The sec-
retary of state said that the can-
didates had not filed their names
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