

GOVERNMENT TO ALLOT MONEY ON WATER PLANT

Approves Loan - Grant of Million and Half to Salem for Waterworks

Grant of \$406,500 Outright; Balance to be in Four Per Cent Bonds

WASHINGTON, Sept. 20.—(AP)—An allotment of \$1,500,000 on a loan-grant basis for the Salem, Ore., water system was authorized by the public works administration today as a non-federal project. It was one of a group of projects approved in 11 states totaling \$7,034,500.

Salem will acquire a privately owned water works and construct new sources of supply, at the same time rehabilitating the system. Work will start within 30 days and will be completed in a year, the administrator was told.

Employment will be given to about 400 persons. Approximately \$406,500 of the \$1,500,000 was an outright grant. The rest was a loan secured by 4 per cent bonds.

Some of the allotments were made on the basis of loans of 70 per cent of the cost of the project, to be repaid with 4 per cent interest and 30 per cent of the cost of labor and materials, as a direct grant. Others were on the basis of an outright grant to be used in construction work.

The list today was the third of non-federal allotments to be approved by the administration. It included water plants and systems, bridges, sewage systems, gas plants, power projects, schools, public buildings, dormitories, lighting and street improvements.

Hope still exists that Salem's PWA allotment for a municipal water system may be raised to the \$2,000,000 loan and grant applied for but whether or not the hope is fulfilled the city (Turn to Page 2, Col. 3)

M'NARY DEPARTS FOR WASHINGTON

PORTLAND, Ore., Sept. 20.—(AP)—Senator Charles L. McNary (Rep. Ore.) left Portland tonight for Washington, D. C., with the parting statement that in his fight for a high dam in the Columbia river at Bonneville he will rely on the best friend of the Columbia river development at the national capital — President Roosevelt.

The senator decided on the trip to Washington when word reached here that the administration was considering a 30-foot dam that would provide only for the improvement of navigation instead of the 72-foot dam recommended by the United States army engineers that would further provide for power development. The 30-foot dam would cost \$15,000,000 against \$44,000,000 for the higher dam.

Although he declined to disclose the plans of his fight for retention of the original plan for the Bonneville project, Senator McNary indicated he was making the trip east at the request of the president.

MEDFORD BIDDER LOW, ROAD JOB

PORTLAND, Ore., Sept. 20.—(AP)—F. C. Dillia of Medford with a bid of \$126,900 was low for the grading of 4.6 miles of the Willamette highway in Lane county near McCredie Springs when bids were opened by the bureau of public roads today. The work is being undertaken under terms of the national recovery forest high-work program. E. L. Gates of Oakridge bid \$136,000, and Guy F. Atkinson of Portland, \$144,215.

Claim Sabotage In Blowing Up Of Water Main

JUNEAU, Alaska, Sept. 20.—(AP)—The dynamiting of a 30-inch water supply main, which furnishes water for the city's high pressure fire mains and also to the Alaska-Juneau mill, was called an act of sabotage by authorities today. The main, however, was only partially destroyed. Occurring during the night, the released water endangered some residents and business houses in the lower part of the city. Authorities, however, were at the scene within 10 minutes, and the mill was closed only a few hours. A \$500 reward was offered for the arrest of those involved.

Portland Bank Closes First National Deal, Will Open Branch Here

First National of Portland Will Assume 70 Per Cent of Local Bank's Deposits; Branch Opens on Monday

A new bank will open in Salem Monday, September 25th, in the quarters which have been occupied by the First National bank in the Lively building. It will be a branch of the First National bank of Portland; and is succeeding to the business of the First National bank in Salem which has been under a conservator since the bank holiday, through assumption of 100 per cent of the secured liabilities, of 70 per cent of the bank's unsecured liabilities and purchase of sufficient of the bank's assets to cover the assumed liabilities. The formal announcement was made yesterday following receipt of the final approval from the office of the comptroller in Washington; and confirms the news story first published in The Statesman three weeks ago.

The manager of the new branch will be J. E. Roman, formerly president of the National Bank of (Turn to Page 8, Col. 1)

SITUATION GRAVE IN CUBAN CAPITAL

Palace Guards Reinforced; Mass Machine Guns Around National Hotel

By EDMUND A. CHESTER Associated Press Staff Writer. HAVANA, Sept. 20.—(AP)—A home made "tank" manned by Cuban soldiers rumbled up to the presidential palace tonight accompanied by extra cavalrymen, following persistent rumors that the foe of President Ramon Grau San Martin were about to strike. Heightened tension in the capital matched an increasingly alarming situation in eastern Cuba as reports of bloodshed and strife accompanied advice that many towns were suffering from malaria. Sanitary functions have been practically abandoned in many places since the recent disastrous hurricane.

Inquiries met denials that plans were afoot for open revolt in the capital, but palace guards were reinforced and soldiers hustled about inside the building while machine guns were ready for installation outside.

The most persistent rumors were that trouble was expected within the ranks of the army with possible aid from civilian anti-government forces. Despite the commotion President Grau San Martin carried on routine business at the palace receiving a commission of business men with pleas that the amnesty law be passed under the Grau San Martin regime, he continued. (Turn to Page 2, Col. 2)

KING-COUCHANT; FISH RAMPANT

NEW YORK, Sept. 20.—(AP)—The gold medal commemorating that Long Island night club washroom incident from which self-styled "Kingfish" Senator Huey P. Long of Louisiana emerged with a discolored eye, was presented formally to the American Numismatic society today. The medal will rest in a case adjoining that containing the emblem presented by congress to the three captors of Major Andre in 1780. Owen P. White, author-publisher, handed it to Edward T. Newell, president of the Numismatic society.

White started the movement which raised \$1000 by subscription to cast the medal, designed by George de Zayas and bearing on one side the inscription: "By public acclaim for a deed done in private — Sands Point, August 25, 1923."

On the other side is depicted a fish rampant, being struck by a fist. A crown is seen falling from the head of the fish. The background shows a washbowl with facets. The medal is about two inches across by two and a half inches in depth.

Workman Is Hurt Cleaning Marquee

A fall through the glass in the marquee along the west side of the building housing the Capital drug store, Liberty and State streets, yesterday forenoon resulted in a severe back injury to Peter McLeod, Portland workman engaged in cleaning the marquee gutter. McLeod, conscious, was rushed to Salem General hospital by Golden ambulance where preparations were made to give him an x-ray examination. It was still undetermined last night whether or not he had suffered a fracture of vertebrae. He was reported as resting well.

Powell Outlines Deposit Release

The method of release of deposits of the First National bank in Salem through the new branch of the First National bank of Portland, which will include all of the bank's unrestricted and 70 per cent of its restricted deposits, has been outlined by Keith Powell, conservator of the bank's assets, as follows, the release to be effective Monday, September 25th:

"Unrestricted accounts will be closed by individual depositors, who will reopen same personally with the new branch.

"Owners of restricted accounts will file claims for same with the conservator, and will receive orders on the new branch for percentage now being released.

"The release will cover 70 per cent of each account as of March 6th, opening date of national banking holiday, less offsets and with all withdrawals made during the period March 6th-March 27th, deducted.

"Savings depositors and holders of certificates of deposit and cashier's checks or drafts, will turn in their books or checks with their claims.

"The conservator's office will be established at the right of the bank's lobby, where claims will be handled as rapidly as possible. Blanks are prepared and will be ready for signature, but verification will take time and there are more than five thousand claimants are asked to be patient. After the first week, it is presumed the rush will have slackened."

"The master retail code carried the controversial provision requiring a merchant to keep his (Turn to Page 2, Col. 1)

NEWBERG VETERAN RECEIVES OVATION

ST. PAUL, Sept. 20.—(AP)—The folks of Ripon, Wis., had better take notice. Their town is getting to be painted red.

The painter is going to be 87-year-old Henry Hopkins of Newberg, Ore., formerly of Ripon, who announced his intentions tonight at the annual campfire of the Grand Army of the Republic, in national convention here.

While the crowd roared its approval, Mr. Hopkins broke in after one speaker had finished, to state that "I want to tell the comrades a little story, and by golly, I aim to do it."

"I'm commander of the Newberg post and senior vice commander of the Oregon department," Mr. Hopkins asserted after he had been invited to the speakers' platform. "I served in the First Wisconsin cavalry and after the war, 'Pop' hitched up the team of oxen and loaded us boys into the covered wagon and we set out from Ripon for Oregon 66 years ago.

"I haven't been back there since and I'm going to visit Ripon again after this encampment. I'm the only one of my father's boys left now and I want to see the old family farm again.

"I've told my women folks I'm going to paint Ripon red when I get there and they want to know where I'll get the paint. I tell 'em of the cheeks and lips of the girls."

Mr. Hopkins clicked his heels together, executed a fancy jig step and left amid an ovation.

ROBIN REED TAKES BOUT IN PORTLAND

PORTLAND, Sept. 20.—(AP)—Robin Reed of Reedsport defeated Noel Franklin of Pocatello Idaho, two falls out of three in the main event of tonight's wrestling program here. Reed weighed 147, a pound more than Franklin. Franklin took the first fall in 25 minutes with a head lock and an arm bar. Reed evened the match 8 minutes later with a reverse arm scissors, then won the deciding fall in 25 minutes with a body press.

Herb Bergson, 146, Portland, won the five-round preliminary from Tommy Davis, 148, Portland, getting a fall in the third round.

Ray Frisbe, 205, Medford, and Jack Anderson, 210, Denver, wrestled three rounds to a draw. Julian Gigi, 195, Portland, won the three-round opener from Jack King, 190, Portland, with a fall in the first round.

Among numbers Allen has selected are "Mother Machree," "Kashmiri Song," "Deep in Your Eyes," "My Darling," and several groups of other popular songs. Accompanying him will be Clarence Wenger, while on some numbers he will sing with Cole McElroy's orchestra.

PRICE-FIXING IN STORE CODES UP TO JOHNSON

Codes for Retailers and Drug Stores Submitted With Mark-up Clause

NRA Head to Decide Issue Within Few Days; Many Employees Affected

WASHINGTON, D. C., Sept. 20.—(AP)—The question of price-regulation on retail merchandise tonight was before Hugh S. Johnson, the NRA director, with indications a decision would not be forthcoming for several days.

Arthur D. Whiteside, a deputy administrator, today made public two codes of competition, one covering the general retail trade and the other drug stores. Johnson immediately began consideration of them.

The two broad codes, reaching every community in the nation, would blanket more than 5,000,000 employees under the recovery program and at the same time fix the administration's policy toward the disputed question of price regulation.

Whiteside said, in laying the provisions before Johnson, that they could be construed as actual pricefixing, to which many officials of the recovery administration are opposed.

Bars Price Slashing However, the master retail code carried the controversial provision requiring a merchant to keep his (Turn to Page 2, Col. 1)

IDAHO DRIES MAKE SHOWING

BOISE, Sept. 20.—(AP)—Idaho tonight was one of the 31 states which have voted to repeal the eighteenth amendment.

A closing tabulation tonight gave repeal 53,265 votes to 38,831 against repeal, a majority of 14,434. The tabulation included 620 precincts of the 819 in the state and accounted for more than nine-tenths of the expected vote. Most of the precincts unreported were small, some of them estimated to have barely a dozen ballots.

Thirty-three of the 44 counties in the state voted for repeal, leaving 11 counties against repeal.

ALBUQUERQUE, N. M., Sept. 20.—(AP)—New Mexico's repeal vote continued its three to one margin tonight, as returns were reported from 548 precincts of 14,234. The tabulation included 620 precincts of the 819 in the state and accounted for more than nine-tenths of the expected vote. Most of the precincts unreported were small, some of them estimated to have barely a dozen ballots.

WASHINGTON, L. C., Sept. 20.—(AP)—Henry Morgenthau, Jr., governor of the farm credit administration, today announced that he would not materially alter the final result.

The state definitely was for repeal except in Curry and Roosevelt counties. The returns showed 43,651 for repeal and 12,441 against in the balloting on a national constitutional amendment. The vote for state repeal in the same precincts was 43,270 for and 14,163 against.

Three delegates elected in the balloting will meet at a repeal convention Oct. 19.

Papers Are Bulky In Silver Falls Fire Loss Case

PORTLAND, Ore., Sept. 20.—(AP)—Attorneys for the Eastern and Western Lumber company today presented a 225-page bill of exceptions to Circuit Judge Lusk here for his signature in the company's appeal to the state supreme court from a judgment of \$263,207.75 entered by Judge Lusk against the company and in favor of the Silver Falls Timber company and others several months ago.

The case was before Judge Lusk three months last year. About 5,000 pages of transcript were prepared by the court reporter, and the transcript, with the bill of exceptions, will be submitted to the supreme court.

The suit grew out of a fire that swept through Marion county timberlands in September, 1929.

Kenneth Allen, Artist of Radio To Sing Tonight

A varied program that will appeal to not only young dance goers but to older people will be presented by Kenneth Allen, popular national broadcasting radio artist, at the Salem Ad club dance at the Armory tonight.

Among numbers Allen has selected are "Mother Machree," "Kashmiri Song," "Deep in Your Eyes," "My Darling," and several groups of other popular songs. Accompanying him will be Clarence Wenger, while on some numbers he will sing with Cole McElroy's orchestra.

Sonnenberg Goes to Court For Divorce

RENO, Sept. 20.—(AP)—Gus Sonnenberg, former claimant to the world heavyweight wrestling title, filed suit here today for dissolution of his secret marriage to Marie Elliott Sonnenberg, known on the screen as Judith Allen.

Sonnenberg charged cruelty. The wrestler's attorney, A. P. Johnson, said trial of the case would be delayed until Mrs. Sonnenberg files a cross complaint. He said Sonnenberg would not object to the granting of a decree to his wife. The couple married in New York, March 12, 1931.

UNITED STATES MAY RECOGNIZE RUSSIA

Morgenthau Named to Direct Trade Negotiations With Soviet Union

By R. H. HIPPELHEUSER Associated Press Staff Writer. (Copyright 1933 by the Associated Press)

NEW YORK, Sept. 20.—(AP)—The United States, it was reliably indicated here tonight, will recognize the Soviet Union before congress convenes in January.

Although such de jure recognition is an administrative act, President Roosevelt was represented by a consultant on foreign affairs as wishing to dispose of this much controverted matter at a time when he was assured freedom of action without any outcry from a possible Anti-Soviet bloc in congress.

The president—who has made no public pronouncement of his intentions—was further represented in several usually well-informed quarters as having decided on Russian recognition some time ago, but has awaited a time when the progress of domestic affairs would allow him ample opportunity to settle the matters involved.

Aside from the exchange of notes and ambassadors, recognition of the U. S. S. R. also undoubtedly would necessitate a decision on the manner of settling claims.

The American claims roughly total \$53,000,000. This is apportioned, principal and interest of this government's Keresky loan, \$272,000,000; private czarist debts, \$86,000,000; claims of American industries for the confiscation of property, \$300,000,000. The Kremlin claims, a total of which has never been set, result from the Archangel and Vladivostok expeditions.

By SAM BLEDSOE Associated Press Staff Writer. (Copyright by the Associated Press, 1933)

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VETERAN STEEL MAN DIES, YOUNGSTOWN

YOUNGSTOWN, O., Sept. 20.—(AP)—James A. Campbell, 78, chairman emeritus of the Youngstown Sheet and Tube company, died suddenly at his home tonight of a heart attack.

Mr. Campbell, a central figure in the attempted merger of the Bethlehem Steel corporation and Youngstown Sheet and Tube a few years ago apparently had been in good health recently and had gone for an automobile ride this afternoon.

He was the founder and the principal figure in the development of the sheet and tube firm and served for many years as president and chairman of the board.

He was nearly 79 years old at the time of his death.

In the attempted merger of Sheet and Tube with Bethlehem, Mr. Campbell gave his unequalled endorsement to the proposal, as did other officials of both companies. The deal was defeated, however, through the opposition of numerous stockholders of Sheet and Tube, led by Cyrus S. Eaton, then a prominent financier.

The litigation which developed as Eaton fought against the merger and as the two companies fought for it has been recognized generally as one of the bitterest court battles in the history of the steel industry.

Trusty Escapes From Dormitory

State and city police and state prison guards were engaged in a search late last night for Joseph Lucas, 25-year old trusty who escaped from the dormitory outside the penitentiary walls just before the 8 o'clock count last night. Lucas, considered a good prisoner, had slightly over four months to serve until he would be eligible with "good time" to release from the prison. He was committed for a two-year sentence from Umatilla county in November, 1932.

STARR RESIGNS, DEFENDS SELF IN AUDIT DEAL

Claims Report of Auditors Was Oral, not Public Document

Makes no Answer to Meier's Complaint of Dissension on Board

PORTLAND, Ore., Sept. 20.—(AP)—C. L. Starr of Portland today resigned from the state board of higher education, of which he was chairman, in compliance with the request of Governor Julius L. Meier.

Although Starr did not make known the contents of his letter of resignation to the governor, it was understood to be merely a formal resignation with no reference to the charges the governor had made Monday in requesting the resignation.

The move quieted the speculation that Starr might ask for a public hearing of the governor's charges.

The letter of resignation was supplemented by Starr with a brief public statement designed as an answer to the governor's charge that he was remiss in his duty as chairman of the board in failing to submit to the board of higher education a special report made by the adding department of the secretary of state with reference to Oregon State (Turn to Page 2, Col. 5)

VETERANS RALLY FOR USUAL PARADE

ST. PAUL, Minn., Sept. 20.—(AP)—The union veterans of the Civil war were tired but happy tonight.

They had marched again through St. Paul's downtown district — mustering their thinning ranks for one more parade of the Grand Army of the Republic.

It was the high point of the 67th annual reunion for some 270 boys in blue, who, trod the pavements in rank and file before a crowd estimated at 75,000 by Col. F. G. Stutz, parade marshal.

Commander in Chief Russell C. Mann, Los Angeles, other national G. A. R. officers and Gov. Floyd B. Olson reviewed processions of state department units.

Commander in Chief Martin sounded a call to arm to the veterans in his address today accusing the government of "using every effort to increase prices but decreasing the amount of the production."

Martin paid tribute to the 2633 members of the G. A. R. who died last year.

New officers will be selected tomorrow with indications pointing to election of Commander Martin, since he has not served a full term. Rochester, N. Y., apparently was favored by most delegates for next year's convention city.

Norblad's Mother Dies in Portland

PORTLAND, Sept. 20.—(AP)—Mrs. Betty Norblad, 81, mother of former Governor A. W. Norblad, died at her home here yesterday. She had been an invalid for 40 years. She moved to Portland from Astoria 13 years ago.

Mrs. Norblad was born at Malmo, Sweden, December 29, 1852. When she was 19 years old she had full management of a cooperative dairy in Sweden. Mrs. Norblad and her family came to the United States 55 years ago.

She is survived by two sons, A. W. Norblad of Astoria and George F. Norblad of Portland, and a daughter, Mrs. David Regor of Portland.

Fall Flower Show Opens Today in Oregon Building

Today garden lovers from all over the city will gather in the Oregon building to display and view others' displays of choice flowers, for today Salem's annual fall flower show begins.

The Garden club sponsors the event, under the chairmanship of James McGillchrist. The show is open to the public until Saturday night.

Ribbons and awards in first and second prizes will be given in every class, prizes being donated by Salem firms. The Ladd and Bush trophy, a handsome silver cup, will be awarded to the best dahlia display from any one garden. All exhibits must be in and entered by 3 p. m. today.

The junior department, a new feature this year, will accept exhibits up until 6 o'clock tonight. There are five classes in which young people may compete with four ribbons to be awarded in each class. Every winner of a ribbon will also receive a merchandise award.

Judging on commercial classes will be based 75 per cent on size and perfection of bloom and 25 per cent on arrangement. In the decorative section judging will be based on artistic effect and merit as well as perfection of bloom.

Section A will be devoted to commercial growers and will include classes of dahlias and gladioli. Cut roses, delphiniums, perennials, potted plants, lilies, snapdragons, miniature garden models and cut-door garden features will be entered in the horticulture class, section B.

Section C is for amateurs only and judging will be partly based on decorative merit for flowers in bowls, baskets and dishes in artistic groupings.

Section D will be the junior division with prizes for the best collection of dahlias, gladioli, annuals, perennials and garden flowers.

N.R.A. Parade Will Feature Fall Opening Many to Participate

PRESIDENT TALKS COMMODITY DOLLAR

Inflation Talk Recurs; Wallace Makes Plea for "Long Look"

By DON J. KIRKLEY Associated Press Staff Writer WASHINGTON, Sept. 20.—(AP)—Amid the clamor for inflation, President Roosevelt gave thoughtful consideration to the problem today in a long talk with Dr. George Warren of Cornell, who has made a study of the European monetary situation for the chief executive.

For several hours the economist talked over the question with Mr. Roosevelt, relating to him the results of his study.

No official word came from their discussions, but the meeting revived reports about the capital that Warren was working out plans for a commodity dollar.

The commodity dollar is one whose buying power with relation to commodities would remain constant, but whose ratio to world prices would rise and fall with the commodity price index.

While the administration went its way in utter silence on inflation, Senator Thomas (D., Okla.) in a statement asserted the president was gradually bringing about the expansion, but "would not even dare admit it."

Thomas, a leader of the inflationary movement in and out of congress for the past two years, held that President Roosevelt did not want to say anything on the subject because "if he even hinted it, commodity prices would jump too fast and too high before the money is distributed among the people."

CHICAGO, Sept. 20.—(AP)—Secretary Wallace today took the stand that neither inflation nor price fixing must interfere with the efforts to relieve agriculture by controlling production.

Speaking before the grain and feeders national association, the secretary pleaded for what he called "the long look," and declared that either inflation or price fixing might aggravate the farmer's real trouble, which, he insisted, is that of surplus production.

"My position as to controlled inflation has not changed," he declared. "At the same time I shall (Turn to Page 2, Col. 1)

ALASKAN PILOT DIES IN CRASH

ANCHORAGE, Alaska, Sept. 20.—(AP)—Pilot G. E. (Ed) Young, one of the best known fliers in Alaska, and his two passengers, Eric Nelson and A. D. Roberts, were killed today when their plane crashed while landing at the Livengood airport.

The flight was being made from Fairbanks, and the crash occurred about noon, a message received here said. The cause of the crash was not explained.

Later, arrangements were made to fly the bodies back to Fairbanks.

Young, whose wife is now in Seattle on a visit, was divisional engineer of the Pacific Alaska airways, and one of the oldest and most experienced fliers in Alaska. He was credited with probably more flying hours than any other Alaskan pilot.

He was about 40 years old and was a native of Michigan. He served in the American air force in France.

Quisenberry's Central Pharmacy, the Man's Shop, The Ace O. D. Olson, Florist, Adam's Florist, The Fashionette, Elliott Dry Goods, Gahlsdorf's, Inc., Thompson-Glutsch, G. W. Johnson & company, Imperial Furniture Co., Atlas Book store, Miller's, Shipley's, Price Store, Smart Shop, Woolworth's, J. C. Fenney Co., Montgomery Ward & Co., Valley Packing company, Bloch's Golden Rule store, Woolpert & Legg, Drugs, Block's Shoe store, Cherry City Baking Co., Kafoury's, Howard Corset shop, Hanigar Hat shop, Heider's Radio and Electric company, Bonesteel Brothers, Jim and Bill, Inc., Doolittle's Service (Turn to Page 2, Col. 7)

ONE MAN KILLED IN FREAK STORM

PORTLAND, Ore., Sept. 20.—(AP)—One man was killed and another seriously, probably fatally burned, several airplanes were damaged and power lines were broken by a freak storm that struck suddenly in this area today.

Virgil Davis, 35, formerly of Santa Rosa, Calif., was killed when lightning struck a tall fir tree under which he and a companion had taken shelter as the storm broke. Clothes were ripped from the body of his companion, H. H. Kinchloe, 55, and he suffered burns that a physician, who treated him at his home, said may prove fatal.

The two men were cutting wood on a farm near Molalla when the gale burst over the area.

Davis had been at Needy, near Molalla, only six weeks, coming from Santa Rosa, where his widow and family still reside.

What was believed to be the same storm, a brief time later lashed at the Swan Island airport here and other parts of Portland's east side.