

THE WEATHER
Unsettled with occasional rains today and Friday; Max. Temp. Wednesday 46, Min. 30, river 11.6 feet, rain .05 inch, NE wind.

EIGHTY-THIRD YEAR

Salem, Oregon, Thursday Morning, December 28, 1933

No. 237

TEACHERS ASK FULL SUPPORT OF SALES TAX

Need of Saving Schools is Stressed at Meeting of State Association

If No Referendum, Benefit in District Credit to Be Immediate, Said

PORTLAND, Ore., Dec. 27. (AP)—A resolution favoring the sales tax, enacted at the recent legislative special session, as a means of saving the public schools of Oregon was adopted at a meeting of the Oregon State Teachers' association here today as the association opened its annual session.

Charles H. Boyd of Portland succeeded to the office of president from his post as vice-president, in accordance with the rules of the association. Miss Jane Barnett of Jennings Lodge has been president during the past year.

Officers elected today were the following:

H. W. Adams, superintendent of schools at Corvallis, vice-president; Charles A. Rice, superintendent of Portland schools, member of the board of trustees for district No. 2; E. H. Hedrick, superintendent of schools at Medford, member of the board of trustees to represent the state at large, and R. R. Turner, superintendent of schools at Dallas, member of the board of trustees to represent district No. 3.

Declaring that action on the sales tax was taken by the teachers "in the interests of the boys and girls of the state of Oregon, who will be denied educational opportunities unless this definite aid is forthcoming," the resolution urged "that every voter in the state of Oregon who has the interests of those boys and girls at heart work and vote for the sales tax, in the event that it is referred to the people of the state as a referendum measure."

The sales tax was discussed in detail at today's meeting. H. R. Good of Eugene told the teachers that "if the referendum is not invoked, the law will become operative March 10. The first actual payments to school districts are required to be made July 1, but the effect upon the credit of school districts would be immediate."

The tax is expected to produce \$4,000,000 a year for the schools, to be distributed to the counties on the basis of their respective equalized assessed valuations and to school districts on the basis of the number of classroom units, both elementary and high school. State Superintendent of Public Instruction Charles A. Howard explained.

In another resolution the teachers endorsed scientific temperance instruction for boys and girls enrolled in Oregon public schools.

Still another resolution urged the promulgation of legislation to provide a work for unemployed school teachers in Oregon "at a wage commensurate with the training and skill required."

Speakers today included J. A. Churchill of Monmouth, on "The Teachers' Training Program in Oregon for Elementary Teachers," and J. R. Jewell of Eugene on "The Teacher-Training Program in Oregon for High School Teachers."

PETROLEUM CODE'S VIOLATION CHARGED

PORTLAND, Ore., Dec. 27. (AP)—A report of what were described as unfair methods of competition in violation of the petroleum industries NRA code occupied the attention of the Oregon state petroleum committee at its meeting here today.

Six new cases in which retailers were said to have violated the code were reported and surveyed at the meeting. The committee previously had received reports of the unfair practices and had undertaken an investigation of each case.

After the evidence had been presented, the names of the violators were sent by the committee to Washington, D. C., together with a recommendation for immediate prosecution. It was said.

Young Musicians Heard on Radio

Salem persons who listened to the program broadcast over radio station KOAC in Corvallis yesterday afternoon by the Salem Preparatory Symphony orchestra were not disappointed. The finished presentation, under the direction of Raymond Carl, delighted its hearers while studio personnel was said to be pleased with the individual young people making up the orchestra.

SILVER AGREEMENT IS BOON TO MINES



SILVER MINER at WORK



SENATOR KEY PITTMAN

Though there may be a difference of opinion as to the final results, the immediate outcome of President Roosevelt's ratification of the London silver agreement which raises the price of silver from 40 to 63.4 cents, has been a general strengthening of commodity and stock markets. Silver proponents, including Senator Key Pittman of Nevada who proposed the agreement, regard the move as a big step toward prosperity through increase in foreign trade, and world stabilization of the silver price. Silver mining districts are especially jubilant. Mines in Nevada, Idaho, Utah and Arizona which have been closed down because silver did not pay cost of production, will open up full blast.

LIQUOR LAW WILL BE ARGUED TODAY

Watkins and Bowerman Present Opposing Sides of Knox Law Issue

Arguments in the suit brought by the city of Klamath Falls attacking the constitutionality of the Knox liquor control law enacted at the recent special legislative session, will be heard by Judge Lewelling of the Marion county circuit court here this morning.

Elton Watkins, Portland attorney, will represent Klamath Falls while Jay Bowerman, also of Portland, has been retained by the state liquor commission in the absence of George Neuner, who was reported to be out of the state. District Attorney Trindle said he was in conference with both Judge Lewelling and Watkins Wednesday and they were agreeable to having the arguments set for this morning.

Trindle declared that he did (Turn to page 2, col. 1)

Auto Tips Over, Injuries Slight

A sedan driven by Raymond Burton, 2475 Broadway street, struck a curb and overturned, landing on one side in a mud pond at Pine street and Portland road early yesterday morning, but neither Burton nor Maxine Hockett, who was riding with him, was seriously injured. Miss Hockett received a bruised forehead and torn clothing.

Gasoline up Half a Cent At Portland

PORTLAND, Ore., Dec. 27. (AP)—The retail price of gasoline was advanced a half-cent a gallon in the Portland area today, restoring the price to the early November level. The price had been reduced a half-cent in the latter part of November during what oil company officials declared as a "price flurry."

Ethyl gasoline was quoted here today at 24 1/2 cents a gallon, first structure at 22 1/2 cents and third structure at 20 cents.

Oil company officials said a similar advance was made at Seattle, Tacoma and Medford and that a one-cent advance on the two top grades and a half-cent on third structure was made at Spokane. The price increased 2 cents a gallon in California, but prices in San Francisco were still lower by 2 1/2 cents a gallon than in Portland.

Annual Banquet Is Enjoyed by Artillerymen

Experiences were retold and hopes for the coming year's program expressed at the annual banquet of Headquarters battery, 249th Coast artillery, of the Oregon national guard, which was held at the Gray Belle restaurant last night. The more than 40 men present gave special attention to training activities in preparation for inspection early in 1934 for the summer camp program.

There was no set entertainment program. Arrangements were in charge of First Sergeant Donald M. Baker.

FOREIGN TRADE GAIN CREDITED TO GOLD PLANS

November Figure 45 Million Over Year Ago; Import Business is Less

Treasury Deficit Grows to Billion but Recovery Cost Explains It

WASHINGTON, Dec. 27. (AP)—Pleased at the November strength of America's export trade, officials tonight interpreted it as the partial result of depreciation of the dollar abroad coincident with the first several weeks of the Roosevelt gold buying program.

The total of foreign purchases in the United States was slightly below that of October, but the drop was not so sharp as statistical records showed was to be expected at that time of the year. Meanwhile, America bought less abroad, giving the nation the largest favorable trade balance in months.

Studying these developments, administration officers today held the gold purchasing program stationary, offering \$34.06 an ounce for domestic newly mined gold, the figure unchanged since December 18. They noted, but without surprise, that the treasury's deficit had passed the billion dollar point.

At the White House, it was said the deficit was expected to go even higher as the result of continued emergency expenditures and that President Roosevelt's principal interest in this connection was making sure that receipts would cover the government's normal and ordinary expenditures. Today's treasury statement showed them doing so with a little to spare.

The foreign trade figures, published by the commerce department, showed November exports totaling \$184,000,000, a figure \$9,734,000 less than in October and \$45,000,000 greater than in November, 1932. Imports aggregated \$128,000,000 compared with \$150,856,000 in October and \$104,468,000 in November last year. Thus, November, 1933, showed a favorable trade balance of \$56,000,000 October one of \$43,000,000 and November, 1932, one of \$34,000,000.

LAST TRIBUTE PAID TO LEWIS ALDRICH

The chapel at Rigdon's mortuary was more than filled with friends who assembled to pay a final tribute to Lewis P. Aldrich, who passed away Sunday. The assemblage was one of the largest ever held at the mortuary and signified the respect and esteem in which the late banker was held. Men and women of all walks of life rubbed shoulders at the funeral service which was conducted by the Rev. W. C. Kantner, former pastor of the First Congregational church.

Prof. T. S. Roberts played a group of organ numbers as the company assembled. A male quartette composed of Max Alford, Dick Barton, William Ryan and R. H. Robertson sang "Lead Kindly Light" and "Abide With Me." Rev. Kantner presented a eulogy of the deceased for his service and fidelity to trust and at the conclusion of the service hundreds filed past the grey casket, about which were displayed many beautiful floral tributes.

Operator Chosen for Police Radio

Clive Scott, until recently operator of an amateur radio station here, is expected January 1 to fill the second operator job at KGRZ, Salem police radio station, it became known last night. He will begin service today unofficially to acquaint himself with the station. Scott recently passed the federal examination for a radio telephone second class operator's license.

Addition of another operator at the station as provided for in the 1934 city budget, will permit operation of KGRZ 20 hours daily. Contemplated service hours call for a silent period only from 3:30 to 7:30 a.m. each day. Donald Pouljade, present operator, was employed when the station went on the air last April.

The coming year's budget appropriates salaries of \$100 a month each for the two operators, or \$25 a piece more than now paid the single operator.

Mayor Douglas McKay, though not present, was elected president of the Municipal Ownership League at a meeting of between 50 and 60 citizens at the chamber of commerce last night. Former Mayor P. M. Gregory was chosen vice-president and Fred Toose secretary. The new officers along with Earl Adams and A. M. Church were delegated to draw up by-laws and present them at the next meeting, Friday night, January 5.

Below-Zero Weather Covers Wide Region; Snow Blocking Roads

Minnesota Records 47 Below, Exceeded Only By White River in Canada; Unseasonable Warmth Noted in Rocky Mountains

(By the Associated Press)
THE northern states were numbed by a bitter blast out of the arctic Wednesday. From Montana to New England and down to the Mason and Dixon line the raw zero weather stretched, with the eastern states under a deep coverlet of snow while the bleak western prairies of Canada calked windows against a 30 below zero wind.

By a vagary of nature, mile high Denver shed its overcoats in a sudden advent of springlike weather. There the temperature rose to 52, and unseasonable warmth spread over Colorado, Wyoming and New Mexico while their neighbors north and south were frigid.

Over New England and the north Atlantic seaboard a biting gale whistled, pounding shipping. Four fishing craft with 29 men aboard were reported missing off Portland, Me. It was this same storm that sent eight Lake Michigan sailors to death off the Michigan and Indiana shores Tuesday.

Eight-foot snowdrifts locked the Vermont-Quebec highways against traffic, while down in New York city in 16 degree temperatures, 28,000 men were given jobs clearing away Tuesday's 11 inch snowfall.

White River, Ont., was the coldest spot on the official weather map with 56 below zero, and the north central states felt the sharpest thrust of winter's shaft. In Minnesota, north of Duluth, there were thermometer readings 47 below zero; 37 below in Fargo, N. D., 31 below in Iowa, and a minus 31 in central Wisconsin.

SOVIET PURCHASING PROGRAM OUTLINED

Satisfactory Credit Plans and Reciprocal Trade Agreement Needed

NEW YORK, Dec. 27. (AP)—The soviet program for the purchase of American goods, it was learned reliably tonight, is being rapidly developed in conjunction with the general buying budget for the second five-year plan.

The extent of these purchases depends on two things:

1. Satisfactory credit arrangements.
2. The removal of obstacles to soviet exports to the United States.

The soviet position on these two points was enunciated by a high soviet official in the United States.

"It would be difficult to increase substantially our purchases (Turn to page 2, col. 1)

RESUME NAVIGATION AFTER RIVER FLOOD

The packet Stranger, due to dock here today, will be the first Salem Navigation company steamer to negotiate the upper Willamette river since December 20 when high water at the Oregon City locks blocked river traffic. The Stranger is expected to arrive by noon, unless river current delay her, and leave tonight for Portland with around 100 tons of cargo.

The company's larger steamer packet, Northwestern, will not be put back in service again until probably early next week because of a damage done when it was struck by the steamship Forbes Hauptman in the Portland harbor last Sunday. Damage to the Northwestern was estimated at \$1500 by Captain Fritz Cruise.

Illinois Drops Property Tax for Levy Upon Sales

SPRINGFIELD, Ill., Dec. 27. (AP)—Illinois today abolished real estate and personal property taxes so far as state assessments were concerned. It was the first complete substitution of a sales tax for property taxes in the United States.

The step was taken after state officials decided a two per cent tax on retail sales, with perhaps some help from liquor taxation, would be adequate to replace the \$25,000,000 levied annually in recent years on general property.

Although cities, counties, park systems, sanitary districts, and other local units will continue to tax real and personal property, abolition of the state's share of the revenue will result in a saving of from seven to 13 per cent to property owners.

The abolition is effective on 1933 taxes, for which property owners will be billed early in 1934, except in Chicago where 1933 taxes have not yet been billed and \$200,000,000 is overdue in taxes for 1929, '30, and '31.

Although Cook county's saving will be only \$15,000,000 or about seven per cent of the total general property level, officials believed the reduction would be a considerable encouragement to heavily burdened taxpayers.

The decision to discontinue the state's "cut" was made by Governor Henry Horner, State Treasurer John C. Martin and State Auditor Edward J. Barrett.

"Illinois for the first time in 115 years has been able to relieve real estate and personal property of the state tax," Horner said. "The reduction in individual tax bills is the largest in dollars and cents that Illinois property owners ever have received in a single year."

BORDER BATTLE FATAL TO TWO; MEXICANS HELD

Smugglers Captured After U. S. Patrolman Slain; Two More Sought

One of Law-Breakers Also Killed; Guns Blaze in Close Range Fight

EL PASO, Texas, Dec. 27. (AP)—Three Mexican smugglers sought after a fight in which two persons, one smuggler and one U. S. border patrolman were killed, were captured late tonight in a house near the international boundary in South El Paso.

They made no resistance. Two were wounded and one was taken to a hospital. An elderly man, who lives in the house where the men were hiding, also was arrested.

Fifty officers participated in the manhunt.

The fight, which took place about two hours before the smugglers were captured, resulted in the death of Patrolman Bert G. Walthall, 34, and a smuggler identified as Jose Estrada, of El Paso.

Louis A. Smith, another border patrolman, was slightly injured during a fierce exchange of gunfire.

Walthall and Smith were in a detail of three officers headed by Patrolman Curtis D. Mosley. They approached the smugglers' car while it was parked. The smugglers opened fire at close range. Walthall fell mortally wounded. Smith's head was grazed by a bullet. He and Mosley returned the fire. The smugglers fled in their car. First reports were that three smugglers were in the band.

The smugglers car was found a few minutes later a few blocks from the scene of the fight. A Mexican about 35 years old was dead in the front seat. The car had been riddled with bullets.

Shortly before midnight border patrolmen, headed by Col. H. C. Horsley and reinforced by El Paso police were closing in on a house near the scene of the fight. It was reported the remaining two smugglers were barricaded there.

World News at a Glance

(By the Associated Press)

DOMESTIC:
WASHINGTON.—Emergency recovery expenditures send treasury deficit past billion dollar mark; but normal expenses are balanced; export trade strengthens; present recovery program to continue another year.

WASHINGTON.—Navy will ask congress to bring fleet up to full treaty strength by 1939.

WASHINGTON.—Federal pool guaranteeing 97 per cent of nation's bank deposits called mandatory despite Chicago bank's objections.

NEW YORK.—Soviet quickens American buying program; wants credit and reciprocal trade agreement.

SPRINGFIELD.—Illinois becomes first state to rely entirely on sales tax; real and personal property levies abolished.

MARLIN, Tex.—Robbers loot bank of \$41,000; kidnap three employees.

PHILADELPHIA.—Experts agree that world economic situation is improving.

ATLANTA.—Major General Edward L. King, veteran of three campaigns, dies suddenly.

PARIS.—France, rejecting German rearmament demands, will offer to scrap half of its bombing planes as peace gesture; other powers must do likewise.

SHANGHAI.—Nationalist forces prepare for crushing attack on Fukien provinces rebels.

LONDON.—Other nations disagree regarding naval treaties, say British, explaining big keel-laying program.

HAVANA.—\$20,000,000 debt contracted under Machado held illegitimate; repayment suspended pending study.