

The Oregon Statesman

"No Favor Sways Us; No Fear Shall Awe"

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Bank Deposits Increase

NATIONAL and state banks reported their condition as of June 30 and show with great uniformity an increase in deposits. The Portland banks show a gain for the year of nearly \$25,000,000, part of which is due to inclusion of branches in other cities with the parent total. The one Salem independent bank shows deposits at the highest point in its history. Without doubt other banks over the country will show similar gains.

Where have these deposits come from? In part from return of hoarded money. In part from the greater volume of business which is passing and which naturally increases bank deposits.

The unsatisfactory situation for the banks from the standpoint of earnings and for the country as an indication of business recovery is the continued low level of loans. Consider the report of the largest bank in this area, the United States National of Portland. It has total resources of \$91,492,373.17 and deposits of \$80,303,716.94. But the loans and discounts which represent money advanced in the carrying on of trade and commerce and manufacture are only \$15,256,896.03. The bank has cash on hand of \$21,535,242.30. Its holdings of United States bonds are \$37,432,126.50 and of municipal and other bonds \$14,061,371.47. The proportions here are hardly typical for the U. S. National has been conducted as an ultra-conservative institution.

The question arises: do banks buy low-paying government bonds because they can't get local loans; or are they becoming mere storage vaults for government financing? It is apparent that the government is fast assuming the role of money-broker. If the banks wake up and find their loan-business all gone part of it may be their own fault, that they refused to perform their function of merchants of credit.

To go back to the question of where these excess deposits come from: let us quote from the July bulletin of the National City Bank of New York:

"This appearance of 'surplus funds' and of unusual ease in the money market is not based upon real capital accumulated from savings but upon an artificial situation resulting largely from the creation of credit by government borrowing."

In other words expansion of government credit is what is filling the banks with deposits. Under normal rules the spiral of increasing credit, deposits and expanding business should start in; and we feel sure that eventually it will. People resisted inflation through dollar devaluation, because the old dollar psychology held. But credit expansion has always worked in the past perhaps because it is invisible. It remains true as a law in physics that over-expanded credit is a balloon that sooner or later will be punctured. It is also true that a huge reservoir of credit which mounting bank deposits now create will sooner or later be used. In the hands of the bankers lies the answer to much of the riddle of the future of the pattern of American business. If the banks remain rigid and over-cautious, refusing to finance business on well-considered enterprise, then the burden will continue to fall on the government. Business men too, in view of the manifest turn of the cycle, should not abide too long by their fears, but should make intelligent use of credit in their business adventures.

So great is the potential market that business expansion might set in on a big scale this fall. The predicted summer slump has been much less serious than was feared by the gloom-chasers. And there remains the possibility (sometimes we think a probability) of extravagant inflation as a result of extravagant government spending and borrowing.

Prune Prices

WE HEAR predictions of low prices for canning prunes for the reason that some packer has gone out and offered canned prunes for less than the prices of a year ago. But that is no reason why this should determine the price. One or two canners and one or two New York buyers have no license to set the price. The farmer ought to have some say about it, though he seldom does. A prune code is in the making now and it may result in better prices for the producers.

There is a poor prune crop this year; and canned prunes have become very popular in recent years. So prices ought to be higher this year than last when the crop was better. Another reason for higher prices is the price being offered for pears. The Yakima Republic had a dispatch from California saying Bartlett pears of the Santa Clara valley had been sold out at a minimum of \$35 a ton for 2 3/8 inches and up. This is twice the price of last year.

Canned prunes compete with canned peaches, pears and pineapples. Higher prices for pears and peaches should make possible higher prices for prunes.

With the limited crop of prunes this year growers should try their hand at "collective bargaining." Canners can't fill their orders unless they get fresh prunes; and if they have sold at too low a figure in the face of conditions pointing to higher prices it should be just too bad for them.

Trade Dictator

HITLER faces not only a sullen people repressed from revolt only by his terrorism, but a steady breaking down of the economic life of the country. To meet this he has made Kurt Schmitt, minister of economics, dictator of trade and industry. Here are the problems which the commerce dictator must face: diminishing exports, induced by boycott or by resentment over Nazi policies, diminishing industrial activity within the country, increased unemployment, financial problems involving loss of gold reserves and moratorium on foreign debt payments causing great resentment abroad, rural unemployment due to stopping of division of estates among all heirs, and refusal of cities to admit workers from the country. Herr Schmitt has a full-time job if he hopes to solve all these difficulties.

The Monmouth Herald was among the papers given high place in the editorial contest for the Paul Kelly cup. We agree with the Monmouth News-Reporter which says: "Editor R. B. Swenson of Monmouth has an attractive editorial page and comments freely on many questions in a constructive and pungent style. His editorial page is consistently bright." Many of the weekly papers make their editorial pages interesting and meaty.

Prison-made goods will bear the NRA insignia, it is said. Have the workers been given privileges of collective bargaining on wages, hours of labor and working conditions? It would be interesting wouldn't it, to see some of the cons with their feet up on Supt. Jim Lewis' desk telling him how they were going to run the flax plant?

Bedtime Stories



Bits for Breakfast

By R. J. HENDRICKS

In Oregon county names aboriginal, political and patriotic history is shown:

The Lewis History of Oregon, published in 1892, edited by Rev. H. K. Hines, from which some quotations have lately been made in this column, has a rather pleasing chapter on names of cities and counties of this state, from which some excerpts will be taken, and additional facts given, beginning:

"In the names of the counties there is a political and patriotic history and an aboriginal one as well. Among the older counties are 'Linn' and 'Benton' and 'Polk' and 'Douglas' and 'Lane' and 'Curry.' These names have lately been made in this column, has a rather pleasing chapter on names of cities and counties of this state, from which some excerpts will be taken, and additional facts given, beginning:

"Linn, the sweet and pure and manly senator from Missouri, who led the senate in patriotic vindication of the claim of the United States to Oregon, and in the advocacy of justice and encouragement to the hardy pioneers of this then isolated region. Linn county is his monument in Oregon."

"Benton, the stalwart, indomitable Benton, whose comprehensive of the great 'question,' and whose prevision of the coming greatness of Oregon were

complete and prophetic. Benton county is the proof that Oregon will never forget him."

"And how the 'fifty-four forty or fight' rings out again in Polk, when this war cry consigned the incomparable 'Harry of the West' to the retirement of Ashland, and put James K. Polk in the presidential chair."

"And Douglas, erst and long the political idol of half a nation; brilliant, aggressive, one of Oregon's early and staunchest friends. 'And Jackson—there has been but one—whose name was early given to a county as rugged and yet as true as was his nature. 'So Curry celebrates a character of no mean repute through a long and important era of Oregon territorial history—a man who, as secretary and governor, won the regards of his party and of the state in no ordinary degree. 'These were all democratic heroes, and these names were given when that party ruled the hour in Oregon."

(The writer in the Lewis book of course meant, in "the incomparable Harry of the West," consigned "to the retirement of Ashland." Henry Clay, after the campaign of 1848, in which he was defeated for the presidency by James K. Polk. Ashland was the

name Clay gave to his estate near Lexington, Kentucky, where he was surrounded by his family, his wife and their 21 children. But, declaring that he "would rather be right than president," thus originating that term, Clay was not permitted to remain in retirement. Ashland was for 50 years a Mecca of American political life, and his great troops of followers would not allow its sage to remain out of the thick of the fierce struggles that were gathering the storms that broke in the early sixties. The "great pacifier," the "great compromiser," was needed, and was kept in the harness even up to his dying hour. It is a wonder that Oregon has no Clay county. Many of our states have.)

Resuming the Lewis text: "Then came another hour, and names of another galaxy rose above the horizon."

"Baker, the patriotic citizen, the peevish orator and brave soldier, the martyr to liberty, is in our thought, and Ball's Bluff he throws again with the sheeted fire that laid him low."

"And Union, the wrench and tug of war to break the bonds that held our states into a united nationality and felt again pulling at our heartstrings. Then Oregon's voice was for Union."

"And though last named, far from being the last either in the love which it testifies or the greatness it enshrines—Grant, Donelson and Vicksburg and Chattanooga and Petersburg and Appomattox wrapped up in that monosyllable; and that is why the name lies upon this county of rugged and storied grandeur."

"These are all great names, and they have in them a history that will grow fresher as the ages grow older over the rocks and hills, the woods and templed hills of Oregon."

"Another class of nomenclature is where the Indian names of localities or tribes are retained and now designate counties or towns. There are not many of them—not as many as we could wish."

"In the Willamette valley there are but two counties, Clackamas and Multnomah, that bear undisturbed Indian names. These both designated Indian tribes formerly residing there and also water courses."

"The first was and is the name of a very beautiful little river that flows from the Blue Mountains, one of the great snowy peaks of the Cascade range, and, after a flow of over a hundred miles, through a mountain gorge of great wildness and yet of great beauty enters the Willamette about ten miles above the city of Portland. Near its mouth lived the Clackamas tribe of Indians; in 1834 to '40 a numerous tribe, but of which now not one remains upon its waters. In the name of Clackamas county their memory is perpetuated."

"Multnomah was the Indian designation of that point of the Willamette river that flows west of the old Sauvie (the text read Sauvier) island, which is just at the mouth of the Willamette, having that river on the east for about four miles. The Columbia on the north for 15 miles, and the 'Multnomah' on the west for 18 miles. It is a deep, navigable channel, 200 or 300 feet wide. Along this stream, on both sides, resided the Multnomahs, and they gave name to Multnomah county, in which is situated the chief city of the northwest."

"Whether Yamhill is an Indian name purely or not, seems to be a matter of doubt. If it is what was its specific application is so much a myth as that of the 'Multnomah.' The word names one of the finest counties of the state."

(The Bits man holds that Yamhill was an Indian name. The early missionaries called a tribe by that name.)

"DEATH SONG" By Joan Clayton & Malcolm Logan

SYNOPSIS

Selfish Vail, former opera singer, is stabbed to death in Lakeside Cottage of exclusive Sherwood Forest Sanatorium. Vail brooded constantly over his wife's death. He continuously played the phonograph record "Waiting For You," his wedding theme sung in his own voice. This record was playing at the time of his death. A maid discovered Vail's body when she went into his room to turn off the record. Willis Clendening, Milton Cross and James Ruxton, the millionaire, shared the cottage with Vail. Ruxton's favorite nephew and heir, Loren Ruxton, and Dr. John Calvert are rivals for the affections of Sue Faraday, a nurse. Mark Hillier, the playwright, crippled from arthritis and bored by the monotony of sanatorium life, well-comes a little excitement. He sends his secretary, Bob Fowler, to investigate the trouble at Lakeside Cottage. It is discovered that Vail's room has a private entrance which opens directly on the grounds. Dr. Calvert claims Vail had been dead an hour before the phonograph started playing. Sheriff Dave Finn arrives. Ruxton changed rooms with Vail the day before as Vail was expecting a guest he was anxious to receive secretly, which the private entrance in Ruxton's room afforded. Clendening discloses that Vail received a letter from New York two days before his death. The police locate some photographs but no letter.

CHAPTER IX

"Vail must have destroyed the letter," Clendening said. "It was in a plain white envelope with the address typewritten."

"Maybe if some people weren't so nosy, he might have kept it," Finn answered resentfully.

He laid the photographs on the table and we crowded around it.

"Anybody know who this is?" he asked.

Dr. Calvert promptly, "Vail's wife. She died two years ago."

"Oh," said Finn.

I stood looking at the photographs. The woman was small, blonde and smiling. She had a pretty, spoiled mouth. For a long time I stared at her dimpled face and her soft, white hands, exquisitely posed. I had expected beauty; this was only prettiness and youth. I could not identify her, somehow, as a figure of tragedy. A vague feeling of disappointed surprise took possession of me. These photographs seemed to invalidate the romance Vail had built up around himself.

When I turned away, Dr. Calvert was explaining that he had known Vail and his wife in New York, where Vail had been his patient. It was he who had obtained a reduced rate for Vail at the sanatorium, for the singer had lost almost all of his money in the stock market. But Vail, never a grateful man, had repaid him by bitterly attacking the service given him.

The deputy came out of Vail's room again, and this time he carried a small, nickel-plated revolver. "Look what we found, chief," he said.

"Where was it?"

"In Vail's bureau, under some clothes."

Finn took the revolver in his hand and broke it.

"Clean," he said. "Looks like it's never been fired. Did you find any cartridges?"

"Nope, and believe me, we took that room to pieces."

Finn reddened. This final complication seemed too much for him. He looked as though he were about to vent his disappointment and confusion in an outburst of rage.

"If Vail was going to see somebody he was scared of, why the deuce did he leave his gun across the room, and unloaded, too?" he asked.

The deputy very quietly backed into Vail's room.

"It don't make sense," Finn yelled. "It don't make any sense at all!"

While Finn was fretting about the revolver, the photographer ar-

rived. He was a small dandified Frenchman with a little black mustache and black shoe-button eyes. He bowed to us with dignity. "Hello, Jean," Finn said. "I want you to take some pictures for me."

"With pleasure, Mr. Finn," he replied, bobbing his head politely. He followed Finn into Vail's room. Presently we heard the report of his flashlight gun and saw a flash through the transom. A cold smoke seeped into the living room. Ruxton rose wearily and said, "I am going to my room to rest, doctor. The sheriff may come in if you wishes to question me further."

He left us. We said nothing while we waited for the sheriff. When he came out, Dr. Calvert



"I walk to his bed and look at him, and I know he is dead," Felipa went on. "Somebody has killed him."

"By the way, sheriff, I suppose you've looked for fingerprints on the phonograph record and door knob?"

"Sure, one of my men did that," Finn answered. "There's plenty of prints, all right, but the way things are breaking for me, I bet every one of them turns out to be Vail's."

He stood in the center of the room for a minute, pulling his mustache. Then he said, "I want to talk to the maid."

"I'll call her," Dr. Calvert said quickly. He walked to Felipa's door and knocked. A frightened voice asked, "Who is it?"

"It's Dr. Calvert, Felipa," he said. "The sheriff wants to talk to you."

Slow, dragging footsteps crossed the room. The key grated in the lock, and the door opened. Felipa Ramos appeared, red-eyed, from crying. There was more than a hint of Indian blood in her swarthy skin, her blue-black hair and her high cheek bones, but she was young and not unattractive. She was a Mexican, and she was homesick for her own mountains. Later we learned that she had built up a small bank account in the village, increasing it slowly month by month, hoping to save enough to return to her country.

She stood in the doorway for a moment, trembling. Her eyes shifted, and it seemed to me that there was something evasive in her attitude. A determination to keep out

of trouble. I suspected that her fright had its basis in self-interest rather than in the memory of her recent experience. The sheriff, more at ease now that he was questioning an inferior, said to her curtly, "Sit down."

The doctor moved toward her, intending, I suppose, to assist her to a chair. She moved more quickly, however, and it seemed to me that she had instinctively shrunk from him. The sheriff stood over her, his rocking silently over her, his smoke seeped into the hall of his feet. His fists were doubled up behind him.

"You found Vail's body, didn't you?" he said.

"Yes, sir."

"Tell me why you went in his room?"

"After the rest period, Mr. Vail's

machine start to play, the same thing, over and over, and Mr. Cross he ring the bell for me. He say go tell Mr. Vail he should change the record, it is making him crazy."

"When I knock on Mr. Vail's door there is no answer, and I think maybe he cannot hear me with the music playing, so I open the door. The shades on the windows are down, and the room is very dark. I call Mr. Vail, but he make no answer, and I think maybe he has gone to sleep again, go across the room and turn off the machine. Then I call him once more."

"It is very quiet in the room. I cannot hear his breath and I am afraid. Something has happened, I know. I feel it. Then I walked to his bed and look at him, and I know he is dead. Somebody has killed him."

"When did the photograph start?" Finn asked.

"At the end of the rest period," Felipa answered.

"Were you awake during that time?"

"Yes, sir, I was in my room reading."

(To Be Continued)

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The Safety Valve

Letters from Statesman Readers

APPRECIATION

Dear Editor and Readers, I wish hereby to express my appreciation of Dr. Doner's sermon "Skylines and Plains." I believe that the person who has high ideals coupled with honest labor is in a far better state than either the idle dreamer or the person who strives for this world's wealth to the exclusion of spiritual things. This is a terrestrial age. Many are grossed in the things of this life—money-getting, pleasure-seeking—that God and eternity are seldom thought of, or even forgotten entirely. Then there are those who reject much of the Bible, who say that many of the things written therein are but myth and fable, and who teach evolution and higher criticism instead of the simple faith in God that our fathers and grandfathers were taught. Hence a call to simplicity and higher thinking, a call to faith in God and in the Bible as His revealed will to man, is timely.

Many have taught that the Bible is antiquated, out of date; but really, as one author has expressed it, the Bible is a twentieth-century Book. One day's newspaper tells of a tornado that swept over San Salvador; in another paper we read of the drought in the central states; and on another day we hear of a destructive earthquake somewhere. But the Bible tells of a time when such things would be on the increase. In the twenty-first chapter of Luke, Jesus, in telling of the signs that His return is near, said: "And great earthquakes shall be in divers places, and famines and pestilences." Upon the earth distress of nations, with perplexity; the sea and the waves roaring; Verses 11, 25. And today we see these very conditions in the world. In the same chapter, Jesus tell of wars and war preparations (Verse 10), and He says that "men's hearts" will be "failing them for fear, and for looking

after those things which are coming on the earth." Verse 26.

The bible contains many other predictions concerning political, industrial and social conditions in this 20th century. Even the lifeless formalism and the unbelief of many professing Christians are foretold. Paul, in his second letter to Timothy, said: "For the time will come when they will not endure sound doctrine . . . and they shall turn away their ears from the truth, and shall be turned unto fables." 2 Tim. 4:3-4.

Again he tells of a certain class who would be "lovers of pleasure more than lovers of God, having a form of godliness, but denying the power thereof." 2 Tim. 3:4-5. Peter also says that "these shall come in the last days scoffers, walking after their own lusts, and saying, 'Where is the promise of His coming?' These men, he says, are 'willingly ignorant' of the fact that the earth was once destroyed by a flood. 2 Peter 3:3-6.

The Bible is just as truly for us of the twentieth century as it was for Jesus of any other age. Its high ideal and moral principles are for us, and its predictions point to our day as the time when Jesus' coming and the kingdom of righteousness are very near.

C. W. Rosser

Hartley Clan Slates Annual Meet Sunday

MACLEAY, July 6. — The annual reunion of the E. W. Hartley clan will be held Sunday at the home of Mr. and Mrs. J. F. C. Tekenburg (Ida Hartley), at the Hartley pioneer home.

Officers are: Edgar Hartley, president; vice-president, Maggie Hartley; secretary, Merle Bowen; treasurer, Mrs. Knighton; assistant historian, Mrs. Tekenburg.

Strikers Go Too Far, Says Chief

SACRAMENTO, Cal., July 6. — (AP)—The maritime strike in San Francisco, acting Governor Frank F. Merriam said last night, has gone beyond the point of common sense and good citizenship, and for that reason alone has the take up its duty on the waterfront.

Sawmill Will Be Rebuilt Quickly

PENDLETON, July 6. — (AP)—Plans went ahead tonight for rebuilding the Blue Mountain sawmill near Langdon lake which with 75,000 feet of lumber burned Wednesday. A newly constructed box factory was destroyed, word reaching here said.

The German Hill dance and Grange hall 12 miles from here, was destroyed by fire Tuesday night, and the ranch home of G. H. Sams, near Weston, burned the same night.

National Hero



Jiri Stribny, above, former prime minister of Czechoslovakia, is hailed as the man of destiny in his country's affairs. Observers believe that Stribny, leader of the Fascist party, may some time climb to the helm of the nation.

AFTER EVERY MEAL