

# BANK REFORM HELD NEEDED

## Speculation is Decried, Law Need Stressed

### Divorce of Stock Selling From Commercial Banking Held Necessary

By Raymond Clapper  
(United Press Staff Correspondent)  
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Washington, Mar. 20.—(UP)—Speculating with funds of depositors must be stamped out of the banking business, in the opinion of those now considering bank reforms as a result of the recent crisis.

This view was strengthened by recent disclosures of what insiders did in the National City bank and its affiliated investment selling organization, President Roosevelt gave further momentum to it in his inaugural address when he declared speculation with depositor's money must stop.

The necessity for action in this direction will increase further if the present tendency toward strong nationalized banking and absorption of state banks into the federal system continues. Such a centralizing tendency would throw the nation's banking activities more and more into the hands of big city banks, making more costly than ever those and unsuccessful speculation such as has been seen in recent years.

The most powerful blow of all thus far has been struck by one of the high priests of high finance, Winthrop W. Aldrich, head of Chase National bank and a brother-in-law of John D. Rockefeller, Jr.

More emphatically than most congressional critics of speculative bankers, Aldrich declared recently that banks handling depositors' funds—the regular commercial banks—must divest themselves of stock market operations, stock and bond selling activities, and the other speculative enterprises which have been responsible for heavy losses.

This is one of the objects of the Glass banking bill. President Roosevelt is understood to be thoroughly in favor of prompt action on this point.

Many big banks have maintained subsidiaries, with identical officers, and separated only by the technical legal hair-line required by law. They have made huge industrial or foreign loans and then, seeing them turn bad, have sold them and "bailed out the bank." Depositors went to the bank to put their money in safe hands, trusting to their banker to advise them wisely as to safe investments.

But the banker in some cases was playing a double role. He was taking their money and presumably advising them as to sound investments. At the same time he was acting as a stock promoter, committed to selling as much stock as he could in issues sponsored by his bank. He was serving two masters and as it has frequently turned out, the depositor was served last.

Sentiment is growing rapidly for rigid laws which will compel bankers to divide into two classes—"the commercial bankers" who accept deposits and make their money by re-investing the money safely as trustees for their depositors, and the "investment bankers" who are frankly sellers of stocks and bonds. The former would then be clearly trustees for depositors. The latter would be simply merchants selling securities.

The present system is likened by some to permitting a lawyer to represent both plaintiff and defendant. Aldrich also struck at the private bankers—firms like J. P. Morgan, which accept deposits and operate a regular banking business. But because they are not officially incorporated as banks, they escape many of the regulations and the requirements for public statements of conditions which bind regular banks.

Such private houses engage in large stock and bond flotations the same as the affiliates of commercial

# No Wonder Budget Director Smiles, With Half-Billion Savings In Prospect!



With savings of \$500,000,000 annually in sight, under terms of President Roosevelt's drastic economy bill, Lewis M. Douglas (center), new director of the budget, had good reason to smile as he discussed the measure with Colonel John Thomas Taylor (left), legislative counsel of the American Legion, while General Frank Hines (right), director of veterans' affairs, listened. The group is pictured at a meeting of the senate finance committee which reported favorably on the bill, since passed by congress, and expected to cut more than \$400,000,000 from pensions and allowances to veterans and \$100,000,000 from government salaries.

## BRIGHT SPOTS

New York, Mar. 21.—(UP)—The smallest number of business failures since October, 1929, were reported by Dun & Bradstreet, Inc., for last week, with a total of 382, against 494 in the preceding week and 708 in the corresponding 1932 week.

Louisville, Ky.—Mengel Co. received an order for 100,000 beer cases for the Anheuser-Busch Co. of St. Louis and gave that company an option on 100,000 additional cases which it is anticipated will be closed as soon as the beer bill is passed by congress.

New Orleans—A project which will provide several thousand men with steady work for two years will begin next month when the McClintock-Marshall Co., a Bethlehem Steel subsidiary, starts work on a \$13,000,000 bridge across the Mississippi river here.

Portland, Me.—Wage increases of 10 per cent, effective March 25, were announced today by the International Cement Co.

Spokane, Wash.—The Great Northern railroad shops here will reopen April 3 on a 5 1/2 day week, giving employment to 250 men, it was announced today.

Louisville, Ky.—The Louisville & Nashville railroad reported for January a net income of \$23,893, against a net loss of \$747,233 in January, 1932.

Butter Unchanged  
Portland, Ore., Mar. 21.—(UP)—There was no general change in the overnight price on cube butter in the local market. On the open market both prints and cubes are unchanged.

Output is still gaining but is somewhat less than seasonal in this respect. Demand for butterfat remains favorable, although there appears less keenness to bid up values.

While there were no open changes in the egg price for the day, casiness was reflected in spots and especially for current receipts, which are now showing a better supply.

Truck load of broiler chickens from Winlock came overnight to the allied buyers of Portland and helped somewhat to relieve the recent acute shortage of small stuff. General live chicken receipts are limited.

Potatoes continue to show increased sales with prices steady.

**SAN FRANCISCO MARKETS**  
Butter—92 score 19; 91 score 18 1/2; 90 score 18.  
Eggs—Extra large 15 1/2; medium 13 1/2; small 10 1/2.

**WOOL MARKET**  
Boston, Mar. 21.—(UP)—The wool market is a little slower than last week, but some wool is selling and prices are steady. Sales comprise mostly 58-60s and finer territory lines. Strictly combing 58-60s Colorado wool brought 43 cents, scoured basis, while best territory lines are held up to 45 cents. Original bag 64s and finer territory wools bring 41-42 cents, scoured basis, for bulk French combing lines, and 43-44 cents for bulk good French combing and average strictly combing staple.

**PORTLAND LIVESTOCK**  
Portland, Ore., Mar. 21.—(UP)—Hogs—Estimated 450. Rail supply 285 direct. Market quotable steady to 5c lower than Monday's extreme top. A few trucked in light but early 44.50. Strong choice car lots quotable possibly at \$4.65.  
Cattle—Estimated 75. Calves—10. All drive ins. No early sales. Monday's general market strong to 25c higher than last week. Everything sold.  
Sheep estimated 75. All drive ins. No early sales. Market quotable apparently steady.  
The horned lizard does not drink water but absorbs it when sprinkled on its skin.

# CLASSIFIED ADVERTISEMENTS

Classified advertising charge per line, 25 cents for 25 words or less. One cent per word for all over 25. All classified advertising strictly cash in advance.

**FOR SALE**  
BABY CHICKS—Low prices for purebred, blood tested chicks. Turkey poult, \$35 per hundred. Custom hatching eggs received every Saturday. Central Oregon Hatchery, Redmond, Oregon. 74-73-99p

**FOR RENT**  
JUNIPER wood for sale. Kelly's Wood Yard. Phone 340. 46-85-117p

**FOR RENT**  
FOR RENT—4 room furnished apartment. Also 3 room house close in. C. J. Leverett, 443 Broadway, Phone 287-M. 38-89-90p

**MISCELLANEOUS**  
PRICE alone is not always a true gauge of service. My price of \$2 for cleaning and repairing your watch is exceptional value. Work is fully guaranteed. H. B. Moore, watchmaker, office in Simpson's Paint Store. 94-89p

**LOANS ON AUTOMOBILES** or contracts refinanced, payments reduced. Prompt confidential service. Legal rates. State license No. M-114. N. H. Gilbert, 1016 Bond St. Phone 21-J. 27-83-109p

**WANTED**  
WANTED—Will pay cash for late model light car. Bend Hide & Fur. 636 Franklin. 96-89-90p

**WANTED**  
WANTED—60 sacks of good clean seed potatoes. State price. J. M. Conrad. Phone 29F14. 87-88-89p

**WOOD FOR SALE**  
CASH—Wood, \$3 per cord if paid on delivery. Body, jackpine, short lengths, limbs, juniper 4 foot. No trades or credits at this price. Brookings Wood Yard, phone 314-J or 314-M. 95-89-112p

**SPECIAL THIS WEEK**—Good red juniper, pine body, short lengths. \$3.75 single cord; \$3.50 cord for two or more cords. Sutton Brothers, 447-J. 137 Columbia. 79-61-93p

**LOST**  
LOST—Male springer spaniel, black and blue Kirtan, 2 years old; last seen near Burns swimming tank. Reward. Phone 565-M or police station. 93-89-90c

**PHOTOGRAPHER**  
PHONE 137-J—Suits cleaned and pressed, 75c. All other clothes in proportion. Suits made to order, best in quality to fit, as low as \$17.50. Dick the Tailor. 97-89p

**FOR EXCHANGE**—1925 Dodge sedan for cheap light car. Dyer's Garage, 621 Franklin Avenue. 96-89p

**SECRET SERVICE**  
Secret service men who accompanied him across the country left his party at Oakland, Ogden Mills, former secretary of treasury, Richey and Hoover's son, Allan, continued with him to Palo Alto. Others who drove here, after meeting him in Oakland, included Governor James Rolph, Mayor Angelo Rossi of San Francisco, and Marshal Hale, republican leader.

## Hoover Is Welcomed By Palo Alto Today

(Continued from page one)

went to his home, atop San Juan hill on Stanford campus, and was met at the door by Mrs. Hoover, who preceded him here. They embraced each other and entered the spacious house.

En route to Palo Alto, Hoover told the United Press he had no plans for the next few days.

"Probably I shall have dinner with friends and have friends in to dinner," he said. "Perhaps I shall go into the hills later for an outing. For the present I intend to rest. I am very glad to be back in California's cheerful sunshine."

On the subject of politics, banking, the beer bill, the democratic administration, economics and business conditions, he had nothing to say.

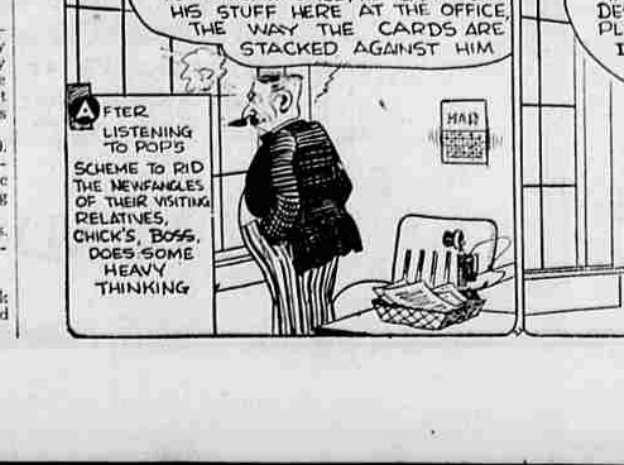
Newspapermen who boarded his train at Berkeley were not granted an interview. The only general announcement from the ex-president came through his secretary, Lawrence T. Richey.

"Mr. Hoover has no statement of any kind to make," he said. "He had a restful night and is looking much better than he was in the west for the campaign. He is in good health and is feeling fine. The whole trip has been restful."

Hoover patiently posed for cameramen. He made it clear, by his attitude, that he wishes to forget about public life for a time, and enjoy a peaceful period of relaxation.

In recent years in the United States, diphtheria has maintained a death rate 70 times as high as smallpox, says Dr. Charles Armstrong of the public health service.

## The Newfangles (Mom'n Pop)



# STOCK PRICES DROP SHARPLY

## Slump in Utilities Is Cause of Break

### List Slumps In Last Hour After Holding Well Most of Day

New York, Mar. 21.—(UP)—Utilities broke one to 5 points on the stock exchange today and set off a sharp reaction in the entire list. Until the last hour, the main list of stocks held fairly well, but steady selling of the utilities finally wore down resistance and the market picked up actively on the downside. In the last few minutes volume slowed down somewhat and prices rallied a shade from the lows.

Heavy pressure was exerted against American Telephone forcing it down more than 4 points below the previous close and more than 2 points under the close on March 3. Consolidated Gas broke more than 3 points and North American more than 2. Selling in these issues followed efforts of Governor Lehman of New York to regulate utility companies more stringently, and fears this regulatory process would spread to other states. Detroit Edison broke 5 points when the dividend was reduced from \$6 to \$4 annually.

United States Steel issues were depressed, the common losing 2 points. Other industrials joined, with losses of 2 to more than 3 points in American Can, Case, Owens Illinois Glass, Air Reduction, Eastman Kodak, Allied Chemical, Du Pont, and Crown Cork and Seal.

Railroad shares after holding well finally were forced down. Norfolk and Western sold at 120 1/2, off 4 1/2 points. Union Pacific lost three while Delaware and Hudson was down more than 3 points. The downturn in the carriers reflected disappointment over lack of anticipated action in favor of the carriers to develop in Washington.

Automobile shares were heavily unloaded. Willys-Overland had a huge turnover, but held at 25 cents a share. General Motors was turned over in large amounts, as was Chrysler. Both declined. Auburn Auto, selling ex-dividend, was down 4 1/2 points at 32.

Reduction of 1/4 cent in the price of copper brought a drop in copper shares. Rubbers declined. Wheat was Cotton met liquidation. Wheat was

## Shocks Wall St.



Wall Street was left gasping at the sweeping banking reforms proposed by Winthrop W. Aldrich, chairman of the governing board of the Chase National bank, shown here leaving a conference of bankers in the New York clearing house. Aldrich called for complete separation of the commercial and investment phases of banking.

# What a Choice!

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## Forest Service Staff Is Preparing to Move

A general restlessness and much activity were apparent in the Deschutes national forest offices in the O'Kane building today as members of the headquarters staff prepared to move into the new federal building. Some of the preliminary work consists of the shipping of office furniture, in use in the present quarters, to the Crescent ranger station, where R. C. Burgess will be installed as ranger. New furniture will be available for the offices in the federal building.

C. H. Overbay, ranger in charge of the new Bend district of the Deschutes national forest, will have his headquarters in the federal building here and a truck was to be sent south today to bring the ranger's household goods from Crescent to Bend. This truck was to carry the furniture which will be used by Burgess in his ranger station at Crescent.

By the end of this week or the first of next week, work of moving into the new quarters will be well under way, with the postoffice staff to follow in a short time.

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Eye, Ear, Nose and Throat Specialists  
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Office Hours—9 to 12; 1:30 to 5

## Building to Be Razed

Vandalia, Ill.—(UP)—Illinois' first capitol building here is being torn down. The state capitol was located here when the state was admitted to the union and later moved to Springfield. The building had been used for many years as a county courthouse.

## Notice of Sheriff's Sale

BY VIRTUE of a writ of execution and order of sale duly issued out of the circuit court of the State of Oregon, for Deschutes County, on the 27th day of February, 1933, pursuant to a decree entered in said Court on the 27th day of February, 1933, in a suit wherein Western Loan & Building Co., a corporation, is plaintiff and S. M. Cain and Lafayette Farms, Inc., a corporation, are defendants; said writ being directed to me commanding me to make sale of the real property hereinafter described. I will on Thursday, the 30th day of March, 1933, at eleven o'clock A. M., at the front door of the court house in Bend, Deschutes County, Oregon, offer for sale and sell to the highest bidder for cash in hand the following described real property situate in Bend, Deschutes County, Oregon, to-wit: Lot 12 in Block 18 of Deschutes Addition to Bend, Oregon, according to the official plat thereof on file and of record in the office of the County Clerk in and for said Deschutes County, Oregon, to sat-

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## An Important Decision!

By Cowan