

BANKS ADMITS SLAYING OFFICER

IMPROVEMENT NOT INFLATION BRINGS UPTURN

Wall Street Sees Gains In Industry As Solid Basis for Recovery

Stocks Gain 50 Percent Since March 4—Commodities Advance

By ELMER C. WALZER
New York, May 13 (AP)—Actual business improvement, rather than inflation possibilities, is believed by Wall Street to be responsible for the sharp upturn in stock and commodity prices.

Stocks this week have been carried to levels more than 50 per cent above the closing prices of March 3, the day before the banking holiday. The Dow Jones industrial and railroad averages rose to new highs for the year; the utility average has come to within a fraction of its high.

The Hamerslag-Bry index of stocks which includes 687 representative issues stands at 18.83, against 11.89 for March 3, a rise of 58 per cent. Some stocks have risen 100 to 300 per cent from their lows of the year.

Steel operations throughout the country have risen 121 per cent from the low made during the bank holiday and other major business (Continued on page 4, column 6)

FARM RELIEF WITHIN MONTH

By Associated Press
1. Secretary Wallace, plunging in to task of administering new farm relief law, promises "definite accomplishments" within 30 days.

2. Fifty nations are invited to join tariff treaty to which the United States and seven other countries agreed yesterday.

3. Proposals for new taxes are studied as means of paying interest on sinking fund charges on a \$3,300,000,000 public works bond issue, planned as a remedy for unemployment.

4. Leading industrialists are called in to examine administration's industrial cooperation plan, to which the public works measure is linked. Combined measures expected to go to congress next week.

5. French ambassador, Andre De Laboulaye, is understood to have laid French overture on the war debts before President Roosevelt in a conference late yesterday.

6. National farm strike called for today, is postponed but Wisconsin dairy leaders and some in northern Illinois refuse to halt milk strike, proclaimed to start today.

7. Dun & Bradstreet report declares business upswing is continuing past normal season of expansion.

CHICAGO TEACHERS DRAW PART PAY

Chicago, May 13 (AP)—Five Chicago teachers promised today to purchase \$12,627,000 in school board tax warrants next week to enable payment of three months' salaries to teachers.

The money would pay salaries for last October, November and December. Checks went out from the school board yesterday for last September's salaries, and with four months' pay in a week the Chicago school teachers would be relatively wealthy. They have received no reductions in salaries during the depression period.

The promise was given to leaders of a group of teachers who had planned another parade today in protest against slow payment of salaries. Already teachers, pupils and parents were beginning to gather in Grant park for the parade.

ALBANY STUDENT FALLS FROM ROCK

Toledo, Ore., May 13 (AP)—Suffering from injuries that caused his death, Nilo Lampi, 21, of Portland, a freshman at Albany college, was brought to a hospital here today from Newport after he had fallen 40 feet from a rock at Yaquina Head.

Good Evening!

Sips for Supper
By DON UPJOHN

June Drake, Silverton photographer, was over from his home town the other day and reported that the young lady with rouge tipped ears to whom we referred in our column recently, he is sure was none other than his own daughter. "The young lady," revealed June, "had her ears punctured recently for earrings. The doctor applied a liberal dose of microchrome to each ear."

And this is the way fashions are established. Since the advent of the little lady Drake with her red ears we've seen several who have emulated her. But whether with microchrome or not we didn't examine closely enough to be able to say.

But we are sure glad that June came over. Because we've been adrift that summer would be here when June comes.

"Don Pinedo Delays Hop," says Oregonian headline. Holding for 80 cents, maybe.

We set a new mark for a high standard of morality this a. m. which we hope will be emulated by all and sundry employees. When we got late to work by 15 minutes, did we do like Steve Stone and say a water pipe had busted and we had to fix it? Did we do like Carl Logan and say the dog was sick and he had to get the veterinarian? Did we do like Fred Zimmerman and say we got a flat, half way downtown and had to run over to a service station? Or did we do like the society editor and say her work kept her out so late the night before she wasn't able to get the family breakfast on time? No. Doggone it, we just told the boss we overslept and let it go at that. Yes, in most cases, honesty is the best policy, unless you think you won't get caught.

We saw the usually sedate Doc Findley hustling down State street this morning with a tennis racket tucked under his arm. We couldn't help but think what a pleasant sight it would have been if Doc was still wearing that big heavy black moustache he acquired in Germany. Anyway, it kind of fitted into Doc's work—he being a sight for sore eyes as it were.

Warren Jones, undisputed valley chess champion, blossomed out in a brand new spring suit this a. m., renouncing his championship badge by taking off the trousers he had had patched as a result of many hours spent in acquiring the championship. He's bequeathed the trousers to Doc George H. Swift for the eastern trip the doctor expects to start on next Monday. "Brother Swift will be able to appear all over the east if he wishes in the role of chess champion," said Warren. "And in addition the trousers will be fine to drive in."

Mike Keppinger, Salem's premier mountain man and traveler alone on a piece of the soft stone which prevails thereabouts and threw it against a snag standing near the middle of the rock. The next traveler followed suit and soon it became a custom. Now, he says, there's a pile of rocks about the snag as large as an ordinary room, and as high as an ordinary ceiling, each rock carrying the name of some one carved on it. These people sure save their names out of sight now.

Glass Banking Bill And Deposit Insurance Okayed by Committee

Washington, May 13 (AP)—The controversial Glass bill to strengthen the national banking laws and insure deposits was approved unanimously today by the senate banking committee.

No material changes were made in the bill as approved by the subcommittee last week. Chairman Glass (D., Va.), of the subcommittee said he would submit the report to the senate today and ask for consideration as soon as possible.

An effort to amend the bill to make its deposit insurance provision effective immediately upon enactment instead of waiting a year was defeated in the committee 8 to 4.

Senator McCadeo (D., Calif.) moved to modify the insurance provision by making it partially effective immediately. Under this plan deposits up to \$5,000 would have been insured immediately, and deposits up to \$10,000 after the first six months.

After voting this down, the committee agreed to accept the deposit insurance clause as written into the bill by a ballot of 11 to 1.

There was no record vote on final approval of the bill, but Chairman Fletcher said no opposition was expressed.

Indicating he would carry his fight to the floor, McCadeo obtained the committee's approval of a resolution asking the comptroller of currency to furnish data in connection with the number and total amounts involved of all deposits in national banks.

The clause postponing the effective date of the deposit insurance plan until July 1, 1934 was added to the bill at the insistence of Secretary Woodin.

RELIEF WORK REORGANIZED ON NEW BASIS

Exhaustion of Federal Grant, Passage Wagner Bill Forces Change

Budget Basis for Advances Required for Sub-sistence Needs

Because of the exhaustion of the original \$300,000,000 granted to the reconstruction finance corporation by the federal government for relief work and passage by congress of the Wagner-Lewis bill making certain changes in administration and requirements for relief work in Oregon will have to be made. Such is the notification being sent out to county relief committees by Paul V. Maris, secretary of the Oregon relief council. The Marion county relief committee has been advised of these necessities. This county's budget for May is placed at \$23,000. As a result, all county relief work in the state will go on a budgetary basis based on actual subsistence needs for the month of May, the committee is notified by Maris.

It will be necessary for the state relief committee to make new application for funds for June under the new requirements, the letter states. "It will be impossible to collect from this new fund for any deficits that may occur in the various counties after the 31st of May," states Maris. "Consequently it is of vital importance that you watch (Continued on page 4, column 4)

CHINESE LINE HURLED BACK

Tokyo, May 13 (AP)—The Chinese defense line was reported thrown back to Miyun, only 40 miles north of Peking, today by a smashing Japanese attack.

Japanese reports said the town of Shih-Hsiachen was captured by the eighth division under Lieut. Gen. Yoshikazu Nishi.

Japanese forces were said to have completed the crossing of the Iwan river on the eastern front and to be pressing on toward Peking from that direction.

It was reported these troops aimed to cut off the retreat of Marshal Chiang Kai-Shek.

A Rengo (Japanese) News Agency dispatch said the Ninth division lost 51 dead and 159 wounded in the six-hour battle preceding the capture of Shih-Hsiachen. Chinese losses were said to be much larger.

The attack on Shih-Hsiachen followed the fall of Shinkaiing. Sanguinary fighting was reported around Shih-Hsiachen.

Troops advancing west of the Lwan were the sixth division under Lieut. Gen. Masayemon Sakamoto.

Governor Murphy Absolutely Broke

Detroit, May 13 (AP)—Frank Murphy, who leaves tonight to take up his new duties as governor-general of the Philippine Islands, is "broke."

"If the government were not paying my expenses, I wouldn't have enough money to get to Manila," he said today.

Detroit's former mayor lost heavily in the stock market crash of 1929.

Officer Strong Discharged by Chief of Police

The first discharge for cause of a city employee since establishment of civil service in Salem occurred yesterday when Officer Leo Strong of the police department was notified of his discharge by Chief of Police Frank A. Minto. The officer's removal is effective Monday.

"Conduct unbecoming an officer" is the general cause for the removal from the police force and the civil service as stated in the chief's letter to Strong. Charges against Strong are stated in a complaint signed by Charles Needham, a taxicab driver living at 1073 Second street; A. Frank Johnson, at the Hotel Blight; and Frances Michaels, Patton apartments.

The complaint recites that on the night of May 8 Strong telephoned to Needham and requested that he (Continued on page 4, column 5)

FRENCH POSITION ON WAR DEBTS

Paris, May 13 (AP)—The French government has notified President Roosevelt that it will pay the \$10,000,000 war debt interest which it defaulted last December only if a moratorium is declared on the next debt installment due in June, it was revealed today.

The position was explained to the American president by Andre De La Boulaye, the French ambassador at Washington. A government spokesman said the explanation was made in order that the United States might be officially informed of the attitude of the cabinet.

Mr. Roosevelt, it is understood here, replied that the December interest must be paid before a moratorium will be granted.

When Edouard Herriot was in Washington as France's special envoy he presented the French position but because of divergences with M. Herriot, Premier Daladier desired to declare the government's view in his own words.

Without a guarantee of a moratorium Premier Daladier feels, he has told friends, that he is not in a position to take the initiative for payment of the interest due last December.

M. Herriot, in the light of his Washington talks, appears more convinced than ever that the December interest payment should be made.

A fight between M. Herriot and the Daladier cabinet over the payment of the December interest is regarded in some quarters as likely in the near future.

YOUTHFUL HEROES GUESTS OF GOTHAM

New York, May 13 (AP)—Six boys from a Packer, N. J., orphanage who became heroes by flagging down a commuters' train that was about to run into a washout, were brought to New York today for some thrills.

They were greeted by two juvenile court judges, rode across the George Washington bridge, were luncheon guests of Alfred E. Smith in the Empire State tower, saw a movie and visited the Aquarium.

One of them, 15-year-old Jake Meislik, rode down Riverside Drive in the sidecar of a police motorcycle. "That was the best yet," said Jake. "I got a bigger kick than meeting Babe Ruth."

All dressed up in new suits, the boys were seated at lunch when former Governor Smith greeted them.

"You're swell boys," he told them. "and great heroes."

CROP LIMITATION AGREEMENT MADE

Geneva, May 13 (AP)—Delegates to the great conference met today to draft an agreement for a two-year limitation on crops which has been reached tentatively by the United States, Canada, Australia and Argentina.

The more difficult points of the detailed agreement will be discussed Monday and Tuesday.

One Man Is Killed When Tornado Hits

Xenia, O., May 13 (AP)—A tornado struck the eastern section of Xenia today, killing one man, injuring several others seriously, and flattening a score of frame houses. Trees and telephone poles toppled in the storm.

The victim was George Gibbs, 69. His mother-in-law, 94 years old, was blown through a window and injured only slightly.

FARMERS HALT MILK TRUCKS IN WISCONSIN

Despite Calling Off of Farm Strike, Dairymen Stop Deliveries

Milk Receiving Stations Closed by Governor—Chicago Also Affected

Union Grove, Wis., May 13 (AP)—A crowd of striking farmers today stopped a milk truck driven by Frank Welch and dumped the milk on the highway. It was the first case of violence in the milk strike. The milk was bound for Chicago.

Milwaukee, May 13 (AP)—Thousands of Wisconsin farmers began today the second embargo on the state's milk supply within three months while a less widespread milk strike prevailed in northern Illinois.

Again pickets closed roads, turning back milk trucks from market cities. Again sheriffs swore in scores of extra deputies to patrol the highways.

Ignoring the indefinite postponement by Milo Reno, head of the National Farm Holiday association, of a projected national farm strike, the dairymen of the rich area supplying the Milwaukee and Chicago milk shed followed the command of Walter M. Singler, president of the Wisconsin Cooperative Milk pool, which claims a membership of 14,000 farmers.

All milk receiving stations in 19 Wisconsin counties were ordered by Governor Albert G. Schmedemann today (Continued on page 4, column 8)

FEAR REICH TO SCRAP TREATY

London, May 13 (AP)—Widespread fears were felt in London today that the German reichstag would renounce military clauses when it convenes Wednesday in special session to discuss the Geneva disarmament crisis.

The possibility of reoccupation of the Rhineland by allied troops was being openly discussed in Great Britain.

British public opinion was wrought to high pitch by possibility of German renunciation of the Versailles treaty, which imposes rigid military restrictions upon the reich.

Norman H. Davis, American ambassador at large, having won a signal victory in the organizing committee of the world economic conference, was prepared to leave for Geneva in hopes of saving the disarmament conference, disrupted by Germany's demand for the right to re-arm.

Experts felt that the economic conference would be a situation of impending difficulties served to restrict expressions of optimism. Germany was thought to be the crux of both the economic and financial picture. It was feared she soon would be forced off the gold standard, which would void important provisions of the Young and Dawes loans.

TORNADIC STORMS KILL SEVEN PERSONS

Kansas City, May 13 (AP)—A survey today of scattered sections of Missouri, Kansas, Oklahoma and Arkansas which were swept by tornadic storms last night disclosed seven persons killed, several others injured, considerable property damage, and swollen streams.

Rains, continuing today, brought a threat of flood damage to southwest Missouri streams.

Four men and a woman were killed southeast of Tulsa when the storm tossed the house in which they had sought refuge nearly 100 feet in the air and dropped it. The Price railroad reported that at least two persons were killed and five injured by an early morning tornado at Hubert, Okla.

A small tornado swept across Bella Vista, a resort center about ten miles northwest of Bentonville, Ark., early today. Small cottages were reported blown down.

BANKER KILLS SELF

Oregon City, Ore., May 13 (AP)—John Trimble, 25, assistant cashier of the Bank of Oregon City, shot himself to death at his home here last night after he and his wife had quarreled. He died instantly when he fired a revolver bullet into his head. The Trimbles had been married six months.

ALDERMEN INVITED TO 'BEERLESS' BEER DINNER BY FUHRER

Councilmen Asked To Hear Arguments for Modification of Ordinance Forbidding Sale of 3.2 Beverage Here at Banquet at Marion This Evening

By HARRY N. CRAIN
A beer banquet devoid of beer or other beverage stronger than coffee will be the order this evening at the Marion hotel, when Mayor Douglas McKay, members of the city council and others interested in the problem of legal sale of the new 3.2 drink in Salem will be the guests of Alderman Walter Fuhrer, acting for business-

men endeavoring to secure modification of the city ordinance under which the court has ruled not even non-intoxicating malted beverages can be sold here.

Monday evening these businessmen propose to lay before the council for consideration an amendment to the city's prohibition enforcement ordinance exempting non-intoxicating "malted" beverages—now included—from the act. Tonight they propose to acquaint the aldermen with their reasons for believing that 3.2 beer, legalized by congress and by practically every city in the state, should be permitted legal distribution in Salem, the hub of one of the greatest hop producing regions of the world.

An unauthorized press announcement that the meeting tonight might "be behind closed doors" (Continued on page 8, column 5)

HULL HOPEFUL OF CONFERENCE

Washington, May 13 (AP)—Summarizing the conferences with foreign envoys during the last three weeks, Secretary of State Hull said today that they had greatly accentuated the chances of a final attack on the depression at the world economic conference.

The secretary said the talks had shed light on the objects and purposes of the conference and had promoted a better understanding of the problems to arise in London.

As a result of this preparation, Hull anticipated that the primary objects of the conference might be attained within two months. In this statement he showed himself more optimistic than some of his advisers who have privately predicted that four or five months might be required for the London meeting.

Hull declined to discuss his talks with foreign statesmen in detail, confining himself to generalizations.

He said the American delegation to London probably would sail from New York May 31 aboard the steamer President Roosevelt. The personnel of the delegation, he added, has not been decided upon definitely. From other sources, however, it was understood that Hull himself will be chairman.

DARTMOUTH PLANS TO SERVE 3.2 BEER

Hanover, N. H., May 13 (AP)—Beer is to be served at Dartmouth college for the first time since the institution was founded 164 years ago.

"We hope to remove all the romance and glamour for students in drinking off to drink in other places, said President Ernest Martin Hopkins in announcing that beer would be served in the cafeteria and grill of the commons, which is owned and operated by the college.

Communist Leaders of Bonus Army Resign From Liaison Board

Washington, May 13 (AP)—Emmanuel Levin and Harold Hickerson, avowed communists, resigned today from the "veterans' national liaison committee" which organized the bonus army convention, so as to remove the criticism that the assembly of veterans is communist led.

They said they resigned so the "right wing" bonus seekers, who have been sleeping in the rain in downtown Washington, would join their own larger delegation at the government provided tent settlement at Fort Hunt, Virginia.

The communist influence was declared by Harold Foulkrot and other leaders of the "right wing" to be their reason for refusing the government camp.

The Fort Hunt encampment housed 1,100 veterans today, with some more contingents reported en route. The latest arrivals were from California and Colorado.

The veterans administration, which is providing food and shelter for the convention which is to end next Thursday, added a touch of luxury today by placing a shaving mirror in each tent.

Violence to Levin was narrowly averted last night. Members of the "right wing" group started to rush him when he tried to make a speech urging that they join the hundreds of ex-soldiers at the government provided camp.

Police formed a wedge and managed to steer him down a side street before the indignant "conservatives" reached him.

Neither the shelterless nor the sheltered veterans showed any disposition to warm up to President Roosevelt's offer to put 25,000 of their number to work in the forest conservation camps.

SAYS HE SHOT THROUGH DOOR TO SCARE 'EM

Banks Screams With Rage and Says Officers Tried To Break In

Believed He and Wife In Danger—Declared Life Threatened

Eugene, Ore., May 13 (AP)—Shouting with rage at times, and declaring "I shot through the door to scare them," Llewellyn A. Banks, 62, admitted from the witness stand in circuit court here today that he fired the bullet which plowed through the heart of Constable George Prescott at Medford last March 6.

"If they had been where they belonged nobody would have been killed," he shouted at the jury.

Banks, former newspaper publisher and orchardist at Medford, and his wife, Edith Roberta Banks, are on trial for first degree murder. Prescott was shot to death while trying to serve a warrant for Banks' arrest.

"Prescott had repeatedly threatened my life," Banks declared as he told of the fatal visit the constable and Sergeant Jack O'Brien of the state police paid to his home. "They (Continued on page 6, column 4)

REEMPLOYMENT TAX PROPOSED

Washington, May 13 (AP)—A re-employment tax of between 1 and 1 1/2 per cent on the output of all industry has been agreed upon by President Roosevelt's committee which is drafting the public works-industrial resolution bill as a means of paying interest and providing a maturity fund for the government securities to be issued for financing the construction program.

Committee members said the proposed legislation would undoubtedly be laid before President Roosevelt in complete form tonight.

It was said that the draft to be placed before the chief executive would specify neither bonds nor short term securities for obtaining the \$3,300,000,000 but would leave the door open either for bonds or short term borrowing as seemed best to fit the financial situation.

A delegation of manufacturers led by Robert L. Lund, president of the National Association of Manufacturers, studied the bill at length today with Budget Director Douglas, Senator Wagner of New York and Donald Richberg, representative of labor. It was said that the plan met with their approval in principle.

13,360,000 IDLE IN BANK CRISIS

Washington, May 13 (AP)—The American Federation of Labor estimated today that unemployment rose to a new record high of 13,360,000 during March because of the banking crisis.

This compared with the federation's estimate of 12,988,000 unemployed at the end of February and 10,477,000 at the end of March, 1932.

"Trade union reports for the first four months of 1933," the federation said, "show a worse unemployment condition now than at the first of the year. Normally, from two to three per cent of the membership should find work from January to April; but this year our records show more out of work in April than at the first of the year."

FRANCE EXTENDS TAXES ON IMPORTS

Paris, May 13 (AP)—Wide extension of the import license tax was ordered by the ministry of finance today. The extension affects many imports from the United States.

French officials denied the extension was in violation of the economic treaty accepted by France at London yesterday. It was explained that parliament approved the measure months ago, it was purely a domestic measure and not a customs barrier, officials said in pointing out the government would demonstrate its willingness to lower tariff barriers next week when it asks parliament for the power to reduce the import turnover tax.