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Editorials On the Day's News

By FRANK JENKINS

THIS headline flares across the front page: "Dollar Cut 41 Per Cent."

A news paragraph below the headline says: "President Roosevelt today revalued the gold dollar at 59.06 per cent of its former weight."

The new gold dollar will contain 16 and five-twenty-firsts grains of gold nine-tenths fine. The former gold dollar contained 25.8 grains.

HERE is what average, ordinary people, such as you and I, want to know: "What does all this mean to me?"

And here is the answer, which is substantially accurate so far as the present and the immediate future are concerned: NOTHING AT ALL.

IF YOU want to prove or disprove that answer, go out and test it for yourself.

Take a dollar and go up, and down the street and spend it for ordinary necessities. Then compare what you got in return for it with what you got in return for a dollar similarly spent a month ago.

You will find that TODAY you get substantially the same amount in return for your dollar that you got a month ago.

Yet today your dollar contains only 59.06 per cent as much gold as it contained a month ago.

"WELL," you say, puzzled, as you have a right to be, "what is it all about, anyway? Why all this thimbering with the gold content of the dollar? What's all the shooting about?"

PUTTING it as simply as such a subject can be put, which isn't very simple, the shooting is principally at foreign trade.

Let's see if we can illustrate: Suppose you're buying a shipload of French wine. Remember you can't pay for this wine with dollars. The French wine maker doesn't want dollars, any more than you would want francs if you sold some Frenchman a shipload of potatoes. You would not know what to do with the francs, and he wouldn't know what to do with the dollars.

So, in order to pay for your wine, you would have to buy francs. That is, you would have to EXCHANGE your dollars for francs.

That is really what foreign exchange means—just changing the money of one country into the money of another, so that people doing business between the two countries can pay for what they buy.

NOW let's get down to the nub of the question:

Before we went off the gold standard, you could buy about 25 and a half francs for your dollar. Now, with the gold dollar devalued, you can buy only about 15 and a half francs.

Obviously you could buy MORE (Continued on Page Four)



WILL ROGERS says:

WASHINGTON, Feb. 1.—Editor The Evening Herald: The vice president and Mrs. Garner's party to the president was one of the finest and most enjoyed affairs you ever saw. They were marvelous hosts, and the president did enjoy himself. Mr. Roosevelt couldn't get over Mr. Garner staying up till 12 o'clock. Been visiting and listening to speeches in both ends of the Capitol all day. Debating on the big navy bill in the house.

Was talking to a lady representative, and she said to me, why do all those men say that a big navy will bring peace, I told her, well, even if it don't bring peace it will come in mighty handy.

Yours, Will Rogers

FINANCIAL MARKETS RISE

COUNTY OFFICIALS ANSWER THREAT OF RECALL MOVE

TAX LEAGUE'S RUMOR FILLS POLITICAL SKY

Attack Believed Directed Toward Judge, Gilenwaters.

C. R. WILLIAMS ENTERS BATTLE

County Commissioner Angered by Reports of Action.

By Malcolm Epley

The tax league's rumored recall movement drew fire from two county officials Thursday, while others quietly awaited developments said to be scheduled for a meeting of the league Wednesday night. One report is the league plans to direct its attack at County Judge George Grizzle and District Attorney T. R. Gilenwaters.

While this apparently takes County Commissioner Charles Williams off the firing line, this official stepped into the fray Thursday with a hot statement. League Criticized. "If anybody but the tax league wanted to recall me, I would resign," said Williams. "It happens, however, the tax league doesn't represent the substantial, responsible citizenry of Klamath county."

"It is my opinion the trouble with these fellows is that they are mad because they found they couldn't get special favors from elected officers. They thought they were going to run things, and they find self-respecting public officials are not going to do that." (Continued on Page Three)

GUILD PRESENTS FAMOUS DRAMA

Tonight at 8:30 the Pine Tree theatre curtain will rise on the most pretentious presentation of the Little Theatre Guild of Klamath Falls—"Ten Nights in a Bar-Room."

The cast stayed up all night for a late matinee rehearsal. After the grueling work-out, when the horizon was beginning to show signs of approaching dawn, Miss Virginia West, president of the guild and one of the leading characters in the play, made the following statement:

"All of us at the theatre tonight—or this morning—including the eleven members of the cast, Alexis Lyle, the prompter, Clement W. Lyons, director, Mrs. Jimmie Schad, stage manager, and the entire production staff of Poole's theatres, including Harry W. Poole himself, are confident that our work for the last ten weeks will be rewarded by a successful presentation of this famous melodrama to the people of the Klamath country."

Record Equalled in Dash to Pole

BAY OF WHALES, Antarctic, (Via Mackay Radio), Feb. 1, (AP)—Crews of the Bear, Oakland, supplyship which equalled a record run from Dunedin, N. Z., to the Bay of Whales, and of the Byrd flagship today worked at a feverish pace discharging winter stores to the bay ice, six miles from Little America. Haste was necessary, as loading of the expedition food crumpling ice might again threaten the ships and supplies.

Portland Sifts CWA Activities

PORTLAND, Feb. 1. (AP)—Because of numerous complaints received by the Portland city council's relief committee, the group last night asked that the Multnomah county relief committee meet with it prior to February 7 to sift charges that favoritism has been shown in employing CWA workers.

PWA Rescinds 30 Projects

MILLION DOLLAR LOAN, GRANT TO DENVER CANCELLED

WASHINGTON, Feb. 1. (AP)—The public works board today rescinded 30 allotments totaling \$1,897,160 for construction of non-federal projects, including a loan and grant of 195,000 to Denver, for waterworks improvement.

The reason for the decision in each case was not given, but it was said some were at the request of applicants who now desired to abandon the projects, while others were because applicants had notified the administration they had not complied with provisions of the contracts with the administration requiring that workmen be employed not more than 30 hours per week and be paid minimum wage rate.

PORTLAND, Feb. 1. (AP)—The question of what course to take in connection with the \$1,500,000 state building program, in view of legal difficulties which have arisen, was under discussion here today by the state PWA advisory board and C. C. Hockley, engineer for the board.

LIQUOR OFFICE OPENS FRIDAY

Permanent Headquarters Established in State Capital.

SALEM, Feb. 1. (AP)—Permanent headquarters for the state liquor control commission will be established in the State Capitol building tomorrow. Painters were completing their work in the two rooms assigned to the department on the third floor of the building, and desks and other equipment will be moved in tomorrow.

A. J. Montgomery will be in charge of the offices here for the present at least, with George L. Sammis, administrator, remaining in Portland until the stores are started there, and then will be much of the time on the road. It was declared, Lawrence Hickam, deputy administrator for this district, would have his offices here. Sammis was here for a while (Continued on Page Three)

OWYHEE PROJECT TO EMPLOY 1500

PORTLAND, Feb. 1. (AP)—Revealing that as many as 1,500 skilled men will be employed at one time on the Owyhee dam project in Malheur county, the Oregon re-employment service announced today that workmen for this job will be drawn first from Malheur county, and then from Union, Wallowa, Baker and Umatilla counties in that order.

In each case only men listed on the national re-employment rolls will be used. As soon as all qualified men have been taken from Malheur, the Union county list will be drawn from until exhausted, and the rolls in the other counties named will then be used. If it develops that there are not enough highly skilled men in those counties, the Portland list will be drawn.

TILLAMOOK BOMB THREATS PROBED

TILLAMOOK, Ore., Feb. 1. (AP)—Federal, state and city officials today continued their investigation of the recent attempted destruction by fire of the Tillamook armory and of several winter threats that the building would be bombed.

Armed guards have patrolled the armory since fire was discovered in three parts of the building several weeks ago.

PUBLIC ENEMY OFFERS CLUES TO KIDNAPING

Arrest of Verne Sankey May Bring Lindbergh Solution.

GANGSTER TAKEN IN BARBER SHOP

Captured Bandit Admits Parts in Two Famous Abductions.

CHICAGO, Feb. 1. (AP)—A solution of the long-standing mystery of the kidnaping and slaying of Charles Augustus Lindbergh Jr., was sought today through questioning of Verne Sankey, 42, one-time ranchman who allegedly turned to the "snatch" racket.

Sankey, described by authorities as "America's Public Enemy No. 1," was seized late yesterday afternoon by federal agents and city detectives in a barber shop on information furnished by an anonymous source, and confessed, Melvin H. Purvis of the federal bureau of investigation said, that he had participated in two kidnapings—that of Haskell Bohn of St. Paul, and Charles Boettcher II, the Denver capitalist.

Connections Denied. The former Gann, S. D., ranchman and one-time railroad engineer, denied he had any connection with the Lindbergh kidnaping, or the abduction of Edward G. Bremer of St. Paul, and William Hamm, Jr., also of St. Paul, but the authorities pushed their grilling of him in the hope of uncovering some new light on these "snatches," particularly the Lindbergh case.

In his confession of the Denver and St. Paul kidnapings Sankey told Purvis that he had collected the \$50,000 ransom for releasing Boettcher and \$12,000 for freeing Bohn. From St. Paul County Attorney M. F. Kinkadee was en route to Chicago to aid in the investigation. It was Kinkadee who announced early last month that he had found evidence which he said indicated that Sankey, long sought by the law, had had some connection with the Sourland Mountain Lindbergh abduction in New Jersey.

Similarities Found. Handwriting experts, Kinkadee said, had found a similarity in the writing of the Boettcher and Lindbergh ransom notes, and a telephone call from Minneapolis to an undisclosed town in New Jersey—scene of the Lindbergh kidnaping—had been uncovered. The call, he said, was made from (Continued on Page Three)

Who Gets Wolfe's \$810? Bonanza Bank, Lawyer Enter Claims

Who gets the \$810 found in George W. Wolfe's mattress and shirt when he was arrested at a hotel here for robbery of the Bonanza bank?

That question is the subject of a legal battle in circuit court here, with the likelihood a jury will be called in to end the controversy.

Claimants of the \$810 are the Bank of Bonanza and W. P. Myers, who was appointed by the court to represent Wolfe in the trials in which he was twice convicted and sentenced to 20 years in prison.

Used As Evidence. When the officers arrested Wolfe at the hotel, they found the \$750 under his mattress. The accused bank robber at one time declared the money was a "plant" and he knew nothing about it, according to officers. Also \$60 was found in his shirt.

This money was entered by the state as an exhibit in both trials of Wolfe in circuit court here. It is now held by the court clerk. Recently Attorney Myers filed a petition in circuit court asking that the \$810 be turned over to him in accordance with an agreement...

Paul Jackson Seeking Post

KLAMATH PRINCIPAL REPORTED CANDIDATE AT SALEM

SALEM, Feb. 1. (AP)—Paul T. Jackson, principal at Klamath Union high school and chairman of the executive board of the state high school athletic association, will file application with the Salem school board for the position of city school superintendent here, he told the board yesterday following conferences with individual members.

Jackson will seek the position to be left vacant by George W. Hug at the expiration of his contract August 31 of this year. Other applicants for the superintendency are Frank B. Bennett, Tillamook superintendent; John F. Cramer, Grants Pass (Continued on Page Three)

SPEAKER REPORTS PROGRESS OF NRA

Fisher Addresses Joint Meeting of Kiwanis, Chamber.

"America is on the trail. We have to keep going," said Fredrick Vinling Fisher, platform representative of the NRA, in an address before the Kiwanis club and chamber of commerce forum at the Willard hotel Thursday. The dining room was filled.

The speaker traced historical developments which, he said, led to the adoption of the "new deal." In 1793, he said, George Washington, Thomas Jefferson and others drew up an agreement calling for fair business practices that has recently been discovered in some old Washington documents, and qualifies as a forerunner of the national recovery act.

Fisher asserted America (Continued on Page Three)

DILLINGER GANG BACK IN PRISON

MICHIGAN CITY, Ind., Feb. 1. (AP)—John Dillinger's outlaw gang came back to Michigan City yesterday today conveyed by 15 squad cars of Indiana and Illinois officers and were locked away for safe keeping.

As the caravan stopped at the portal of the penitentiary whence they escaped last Sept. 26, the Michigan City police formed an aisle through which the outlaws marched.

GOVERNMENT EYES EFFECT ON MARKETS

Treasury Secretary Describes Nation As Model for Gold.

FEDERAL RESERVE COLLAPSE VIEWED

Professor Fisher Urges Sole Power to Issue Currency.

WASHINGTON, Feb. 1. (AP)—The United States was described today by Secretary Morgenthau as being on a "1934 model of a gold bullion standard" as a result of the dollar devaluation program which netted the government a \$2,792,940,517 profit.

He made this statement to reporters as Professor Irving Fisher of Yale testified to a house banking subcommittee that the existing federal reserve system "will now be lucky if it escapes destruction altogether."

Secretary Enforced. Fisher urged creation of a federal monetary authority with sole currency issuing power.

Morgenthau refused to discuss operation of the \$2,000,000 stabilization fund created out of the devaluation profits. Its use is to be kept strictly secret.

Administration officials watched the climb of quotations on the stock markets and the ebb and flow of the dollar in foreign exchange.

SYSTEM HELD ENDANGERED. WASHINGTON, Feb. 1. (AP)—Professor Irving Fisher testified before a house banking subcommittee today that the existing federal reserve system "will now be lucky if it escapes destruction altogether."

He made this comment in endorsing proposals for a federal monetary authority with sole currency issuing powers.

The bill before the committee for establishment of the monetary authority, the Yale professor held to be "a splendid step toward the goal which President Roosevelt has set before us."

For "political reasons," he asserted, the federal reserve system with 12 regional instead of one (Continued on Page Three)

FLOOD CONTROL PROGRAM BACKED

WASHINGTON, Feb. 1. (AP)—The senate today adopted a resolution requesting President Roosevelt to present a "comprehensive plan" for the guidance of congress in enacting legislation for a nationwide system of flood control, navigation, irrigation and power.

The resolution, presented by Senator Norris (R-Neb.), was an outgrowth of a conference with President Roosevelt yesterday in which many other members of both senate and house interested in waterway improvement participated. A similar resolution is expected to be offered in the house.

Myers then filed a motion for a judgment on the pleadings. Judge Duncan on Wednesday denied this motion, and granted his intention of having the case tried before a jury. Myers objected, and said he would file an affidavit of prejudice against Duncan. The court denied him this privilege on the grounds the case is at issue on a question of fact, and gave the attorney to understand the matter will be placed before a jury for decision.

DOLLAR DEVALUATION STIMULATES BUYING; STOCKS, BONDS MOVE

Average for Industrial Stocks Are Highest Since September, 1931; Active Response Recorded

NEW YORK, Feb. 1. (AP)—Dollar devaluation and the United States' new position on a modified gold bullion standard brought heavy buying into the security markets today.

Stocks rose \$1 to more than \$4 a share. Profit-taking flurries were numerous, but demand was huge and scores of issues, especially industrials, plowed to new highs since 1931. The close was strong.

Bonds, including U. S. governments, were active and strong, but many of the commodity markets made comparatively narrow fluctuations. Wheat closed virtually unchanged.

DOLLAR RESTORED TO GOLD STANDARD

Way Believed Opened to Potential Credit Expansion.

NEW YORK, Feb. 1. (AP)—The Standard Statistics Co., average for 50 industrial stocks closed today at 102.4, the highest level since September, 1931. The top in last summer's "bull" in last summer's "bull market" was 102.1. The closing composite of 90 stocks today was 91, up 2.3 points net, compared with the July high of 96.9.

NEW YORK, Feb. 1. (AP)—Under buoyant leadership of secondary issues the bond market moved upward at a fast pace today. U. S. governments moved along with the trend, although their gains were not quite so large as those recorded yesterday.

The principal gainers, which added from 1 to 4 points to the closing values of yesterday, included Chicago & Northwestern 4 3/8, Erie 5 1/8, International Telephone issues, Postal Telegraph 5 1/8, and Warner Bros. 6 1/8. U. S. treasury loans ranged from 2 3/8 to 12 3/8 of a point higher near the close.

CURB ADVANCES. NEW YORK, Feb. 1. (AP)—Curb market prices advanced substantially today under a broad and active demand for shares in every section of the list.

Aluminum company, American Gas and Electric, Electric Bond and Share, Gulf Oil, Newmont Mining, Montgomery Ward "A", Niagara Hudson Power, Parker Rust Proof, Pittsburgh Plate Glass, Sherwin Williams, Standard Oil of Ohio, and Swift and Co. improved around one to more than two points. Childs FD advanced 7. Some metal stocks, after an initial spurt upward, encountered profit taking and slid back to around their previous levels.

By Associated Press. Domestic financial markets surged upward today in response to devaluation of the dollar to 59.06 per cent of its former parity.

The dollar quickly advanced in foreign exchange dealings after an early slip in Paris and London, and soon commanded a premium (Continued on Page Three)

LATE NEWS

SALEM, Feb. 1. (AP)—Two hearings on applications for permits to operate as contract carriers were set by the public utilities commissioner today for February 8 at Klamath Falls. The applications were filed by the Rogue River Motor Transport company and the W. R. Cummings, of Medford.

NEW YORK, Feb. 1. (AP)—The New York Federal Reserve Bank today reduced the rediscount rate to 1 1/2 per cent from the 2 per cent rate which had been in effect since Oct. 20 last.

SEATTLE, Feb. 1. (AP)—Prosecutor Robert M. Burges today filed a \$81,816.79 grand larceny charge against George G. Wittenmyer, mysterious missing treasurer of King county.