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WEATHER
TUCSON: Maximum temperature yesterday 71; minimum 31; humidity morning 32 pct., evening 10 pct.

The Arizona Daily Star

An Independent NEWSpaper Printing the News Impartially.

VOL. 92 NO. 64 TWENTY-FOUR PAGES TUCSON, ARIZONA, SUNDAY MORNING, MARCH 5, 1933 TWENTY-FOUR PAGES PRICE FIVE CENTS

ROOSEVELT ACCEPTS CHALLENGE 'LIKE WARTIME'

ALL 48 STATES ADOPT HOLIDAY IN MONEY MART

U. S. Dollar Unquoted In Foreign Countries as Debacle Grows

QUICK ACTION SEEN

Extra Session of Congress Seen Immediately Due to Banks

BULLETIN

WASHINGTON, March 4.—(AP) Secretary Woodin tonight summoned federal reserve bank officials and business leaders to come here for a conference tomorrow morning at the treasury on the banking situation.

The call was issued by Woodin from the White House where late today he was sworn in as treasury secretary.

The new administration is drafting emergency legislation, and a quick call for a special session of congress appears certain.

President Roosevelt will announce the date for the new session after a meeting tomorrow with congressional leaders.

It is believed details of the contemplated banking legislation will be discussed with the nation's financial chieftains tomorrow.

By THE ASSOCIATED PRESS

Banks in each of the 48 states were closed under holiday orders or were operating under restrictions Saturday night as financiers, economists and government leaders laid plans to bring America back to financial normalcy.

Predictions gained strength in Washington that a special session of congress would be called promptly to threat the entire situation. Industrial and financial leaders everywhere expressed confidence that national legislation would overcome the emergency.

Rumors also were current in Washington that Herbert Hoover and Franklin D. Roosevelt had discussed the possibility of a 10 per cent federal guarantee of bank deposits.

Although the restrictions prevailed in 48 states and the District of Columbia, there were many communities—even in states having banking holidays—where financial business was conducted as usual.

Force Is Used

In only instance was a bank reopened closed by force. That was in Duncan, Okla., where national guardsmen enforced Governor William H. Murray's mandatory closing proclamation on the First National.

The first thought of business in general was to provide sufficient cash for payrolls and routine expenses. Although nine-tenths of business normally is transacted by check—and checking was impossible everywhere—the cities reported serious curtailment in commercial and industrial activities.

The New York stock exchange and the Chicago board of trade, natural trading mecca respectively in securities and grain futures, were closed and so were smaller markets of the kind. Livestock and cash grain markets remained open, but transactions were at lower volume.

Pay Checks Are Better

The average citizen's chief trouble appeared to lie in difficulty of cashing pay checks. Stores generally extended credit more liberally for household necessities, however, and larger places gave some cash in accepting checks for payment of bills or making of purchases.

Smaller merchants developed a fear their supplies of cash would run short and were cautious about accepting currency larger than $10 in denomination. The Chicago surface lines feared a shortage of pennies for its seven-cent fare business.

Many tax collecting bodies reported increased revenue for the day as taxpayers took advantage of provisions in some mandatory closing proclamations or limited withdrawal regulations which permitted larger withdrawals for payment of taxes. Unemployment relief funds also were generally excepted from the restrictions.

Federal Reserve banks generally followed the route of state and national institutions with the explanation that such is the policy for holidays. No gold exports were permitted with the holiday in effect.

Students of finance explained the situation arose not from lack of liquidity but rather because of huge demands for cash. Authorities of many states declared holidays with the explanation that previous action in neighboring states made it necessary.

Dollar Unquoted

No matter what liquidity financial institutions attained, it was said, it would be impossible for the $40,000,000,000 in American banks to be withdrawn suddenly in cash. The 14,440 banks reporting to the

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'We May Now Restore the Temple of Civilization to Ancient Truths'

WASHINGTON, March 4.—(AP)—The text of President Roosevelt's inaugural address follows:

I am certain that my fellow Americans expect that on my induction into the Presidency I will address them with a candor and a decision which the present situation of our nation imposes.

This is pre-eminently the time to speak the truth, the whole truth, frankly and boldly. Nor need we shirk from honestly facing conditions in our country today. This great nation will endure as it has endured, will revive and will prosper. So first of all let me assert my firm belief that the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.

In every dark hour of our national life a leadership of frankness and vigor has met with that understanding and support of the people themselves which is essential to victory. I am convinced that you will again give that support to leadership in these critical days.

In such a spirit on my part and on your hands we face our common difficulties. They concern, thank God, only material things. Values have shrunken to fantastic levels; taxes have risen; our ability to pay has fallen; government of all kinds is faced by serious curtailment of income; the means of exchange are frozen in the currents of all kinds the withered leaves of industrial enterprise lie on every side. Farmers find no markets for their produce; the savings of many years in thousands of families are gone.

More important, a host of unemployed citizens face the grim problem of existence, and an equally great number toil with little return. Only a foolish optimist can deny the dark realities of the moment.

Yet our distress comes from no failure of substance. We are stricken by no plague of locusts. Compared with the perils which our forefathers conquered because they believed and were not afraid, we have still much to be thankful for. Nature still offers her bounty and human efforts have multiplied it. Plenty is at our doorsten, but a generous use of it languishes in the very sight of the supply.

Primarily, this is because the rulers of the exchange of mankind's goods have failed through their own stubbornness and their own incompetence, have admitted their failure and abdicated. Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men.

True, they have tried, but their efforts have been cast in the patterns of an outworn tradition. Faced by failure of credit, they have proposed only the lending of more money. Stripped of the trappings of power and prestige, they have resorted to exhortations, pleading fearfully for restored confidence. They know only the technique of a generation of self-seekers. They have no vision, and where there is no vision the people perish.

The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths. The measure of the restoration lies in the extent to which we apply social values more noble than mere monetary profit.

Happiness lies not in the mere possession of money; it lies in the joy of achievement, in the thrill of creative effort. The joy and moral stimulation of work no longer must be thought of in the mad chase of evanescent profits. These dark days will be worth all they cost us if it is not to be ministered unto but too minister to ourselves and to our fellow men.

Recognition of the falsity of material wealth as the standard of success goes hand in hand with the abandonment of the false belief that public office and high political position are to be valued only by the standards of self-seeking of place and personal profit; and there must be an end to a conduct in banking and in business which too often has given to a sacred trust the likeness of callous and selfish overgoods. Small wonder that confidence languishes, for it thrives only on honesty, on honor, on the sacredness of obligations, on faithful protection, on unselfish performance; without them it can not live.

Restoration calls, however, not for changes in ethics alone. This nation asks for action, and action now.

Our greatest primary task is to put people to work. This is no quick solvable problem if we face it wisely and courageously. It can be accomplished in part by direct recruiting by the government itself, treating the task as we would treat the emergency of a war, but at the

(Continued to Page 2, Column 2)

FRANKLIN DELANO ROOSEVELT
President of the United States of America

ACTION PROMISE GIVEN AMERICAN NATION IN TALK

Traditional Pageantry of Inaugurals Hallows Event

OUTLINES HIS PLAN

300,000 Cheer as New First Magistrate Takes Oath

WASHINGTON, March 4, —(AP)—The echo of the presidential oath for Franklin D. Roosevelt had hardly died this afternoon before he set out to compete the great challenge that confronts the country in the banking emergency.

Steeled for immediate action, in his inaugural address he voiced determination to lead the "army of our people" as though to vanquish enemies of war; returned to the White House from the capitol, at once submitted his cabinet nominations to the senate, and called that cabinet together for counsel late in the day.

Matching his will for no delay, the senate in special meeting lost no time in confirming all his cabinet choices, and they were sworn into office shortly thereafter.

Like Times of War

Judging from the comments, there was no doubt that the legislators had been impressed by the Democratic Roosevelt's forthright declaration that the times must be considered like times of war, and that he intended to seek any drastic executive powers necessary to handle what comes.

This swift succession of events overtook Washington at sundown in significance of the historical day.

Outwardly, all the traditional pageantry of inaugurations held sway. But there was more than that.

Never was there such a day, for beneath the panoply of parade ran a waiting and a wanting now to be heard.

The sense of momentum, and perhaps dramatic decisions impending, appeared to permeate all ranks.

Legislators and diplomats, parlors and business acquaintances, accompanied and tendered on the streets through them all, and the columns in the parade, too, a sort of common sentiment of thoughtfulness and sobriety prevailed.

Most Act Quickly

It was in that atmosphere, while the tremendous crowds of parade watchers were breaking up at twilight, that the senate cabined for its first meeting with Roosevelt as President.

It was not a time for words, he said but a few hours before in his inaugural address, but "we must act and act quickly."

The framework was all ready. For days past the word had been that he was prepared when the responsibility was his.

Tonight it was, and unless signs fail, developments were in the making which will write today's spectacular and color-filled events into reminiscence much sooner than was true of bygone inaugurals.

First of all, perhaps even while he was in the message to the special session and thereafter, he plainly showed his mind. In snapshot fashion he set his ideas to the fore:

Stricter supervision of banking, credits and investments; ending speculation with other people's money".

Assurance of "an adequate but sound currency";

Balancing the federal budget; drastic reduction in governmental expenditures, national, state and local;

International economic readjustment;

Unification of relief activities;

National planning for and supervision of all transportation and communication and other public utilities.

Projects to make the most of natural resources; soil adjustment of populations between industrial and rural sections.

On filling his eyes, he looked out upon tens of thousands of Americans who hung on to his every expression, cheering for an instant now and again but more often in a mood of restraint—or perhaps quiet hopefulness.

Garner Sworn In

Behind him rose the majestic capitol, with flags fluttering in cool breezes on its ramparts, and with

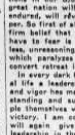
(Continued to Page 2, Col. 1).

Capitol

Facts and Fancies

By Talbot T. Smith

PHOENIX, March 4.—Senator John C. Biggs of Dos Cabezas held the center of the legislative stage today, the three different occasions he stopped out to make himself famous. First he asked a reconsideration of the bill by which the governor is given authority to "vote for that bill," he said, "but I hope I still have enough to have a guardian appointed for me if I ever do it again." Kelly seconded his motion, but only for two of them voted for it. It had been signed by the governor in the meantime anyway, so it didn't make any difference.



T. T. Smith

Then the senate took up the mortgage moratorium bill on third reading. The galleries were full of Maricopa farmers, although the scheduled demonstration did not take place. The poll call showed only three votes against the bill, these being Collins of Pima, Biggs and his Cochise colleague, Asplund. As soon as the vote was announced, Biggs got the floor to move that "in view of the fact that we have cooled deliberation, but are hereby, we adjourn sine die." President Hill waited for a moment for a second and failing to get one passed on to other business.

WHY MINOTTO VOTED

Minotto gained a little fame for himself by declaring that he voted

(Continued to Page 10, Column 2)

SURETY COMPANY TO MAKE UP SHORTAGES

PHOENIX, March 4.—(AP)—Arizona's corporation commission today announced the National Surety company, through one of its representatives, had promised to pay within the next few days $1,844.89 of alleged shortage of commission funds.

The announcement said C. E. Leiden, of the Southern California claim division of the National Surety company, had advised the commission by letter his investigation of commission records had been completed and that he found the state has a claim of $1,844.89 against his company. Upon his return to the coast, the commissioner said Leiden wrote, a check for that amount will be forwarded to the commission.

Leiden wrote, the commission said, an audit had revealed 17 receipts given for payment of fees to the commission were still missing. The estimated total of these receipts was placed at about $200 and when they are received the bonding company will pay the amount represented by them, the commission said Leiden wrote.

Amos A. Betts, chairman of the commission, said the first audit disclosed a shortage in the accounts of $1,006.28. That amount, he said, was paid in cash. The audit also revealed, he said, a receipt book and a page of the ledger were missing. A total of 51 receipts were missing, 34 of which have been returned, Betts said.

Gov. B. B. Moeur today signed resolution passed recently at a meeting of many states declared holidays with the explanation that previous action in neighboring states made it necessary.

Scrip, Cash and Checks Used For Payrolls, Others Passed

Railroad Still Uncertain as to What Will Be Done as Pay Checks Are Not Due Until Tomorrow; Star Scrip Acceptance Nearly Unanimous

Tucson banks remained closed Saturday in observance of the holiday proclaimed by Governor B. B. Moeur and authorized by the state legislature, and will remain closed until March 13, due to an extension of that holiday.

With cash diminishing in circulation, one Tucson business firm, The Arizona Daily Star, met its payroll with scrip printed especially for the occasion on security paper in $1 denominations. The scrip became immediately acceptable to all but one or two local merchants, and was being taken as a substitute for United States government currency even by persons not directly concerned of The Star. Now than 40 leading Tucson firms were accepting the scrip.

Matt H. Mansfield, manager of the Tucson J. C. Penney company store, last night suggested that any Tucson business man—whether he is a banker, merchant, or whatever his business is, large or small"—interested in formulating and effecting some plan for handling the local situation regarding the lack of currency meet at the Pointer club on East Congress street at 10 o'clock this morning.

The plan which will be discussed first will be one to exchange "check for check" so that business may continue without a general issuance of scrip.

Albert Bideldi and Company passed its regular pay-day Friday, although F. H. Pauli, manager, said that employes who were in need of cash were being allowed small advances so that they might not suffer actual want until the banks reopened. The firm continued open to the customers, honoring both credit and cash accounts and accepting Star scrip.

Railroad Uncertain

The Southern Pacific company stayed in due Monday morning, William Wilson, Tucson division superintendent, had received no

(Continued to Page 10, Column 5)

EUROPE IS PUZZLED OVER BANK HOLIDAY

LONDON, March 4.—(AP)—Extension of the American banking holiday to the powerful institutions of New York came as something of a shock to London, and even the experts were puzzled as to the course events will take.

Dollar transactions were suspended. Only in Berlin, where private trading (gold) has been forbidden since 1931, was there an official quotation. The Berlin price was 4.194 marks (slightly over $1) sold. There were unofficial quotations in several capitals.

American branch banks were open for business here in London, but it was difficult to cash checks drawn on banks in the states affected by restrictions.

There was no quotation on gold here, and foreign exchange quotations were suspended because they are based on the dollar.

Lloyds offered 5 to 1 that the United States will still be on the gold standard before the 1933 end.

The Roosevelt inaugural message, transmitted across the ocean, seemed to restore confidence to a considerable degree.

COPS, COMMUNISTS WAR

PITTSBURGH, March 4.—(AP)—Police and communists battled in the heart of the downtown district today. Sixteen demonstrators, including two women, were arrested and six were sent to a hospital for treatment after police broke up a street demonstration sponsored by the local unemployed council.

ROOSEVELT IN FULL COMMAND

Cabinet Sworn Before Nightfall of First Day In Office

WASHINGTON, March 4.—(AP)—President Roosevelt tonight flung the full power of his new office into a bold movement to revive a frozen stilled national credit which he earlier blamed directly upon the "profiteering" and "incompetence" of "the rulers of the exchange of mankind's goods."

From the busy White House went out a call to the new secretary of the treasury, William H. Woodin, for the officers of the federal reserve system and national business leaders to meet with him here tomorrow morning.

Aroused and alive to "the duty and realities of the moment," President Roosevelt summoned congressional leaders to meet with him immediately to decide definitely upon a date for a meeting of the new congress. A call will go forward tomorrow night for this extraordinary meeting expected to begin by mid-week.

To Meet Situation

Emergency legislation is being drafted to combat the situation. Very apparently also, the Roosevelt administration is going to demand that the leaders of the almost stilled banking business do some acting.

The fact that Cordell Hull, the secretary of state, has been in the conferences on the financial situation is regarded as indicating definitely that a gold embargo has been considered. However, it was stated authoritatively tonight that such an action is "not regarded as necessary." Also, it was said that there is no cause for alarm for fear of foreign raids on American gold—that plenty was on hand.

Rather, restoration of confidence in banking was put forward as the first objective to be sought by the new administration.

Before a far flung audience of unnerved foes and with millions

(Continued to Page 7, Column 4)

Emergency Lung Operation Is Performed on Mayor Cermak

MIAMI, Fla., March 4.—(AP)—Mayor Anton J. Cermak tonight was removed to the operating room of Jackson Memorial hospital where his lung cavity was tapped for pus from pneumonic infection.

To the family, anxiously gathered near the operating room, Senator Richey Graham, son-in-law of Cermak, said "they didn't tell anything." He did not elaborate.

The mayor remained in the operating room about half an hour. He was taken back to the oxygen room on the sun porch of the hospital wing where he had been since struck down by one of Giuseppe Zangara's bullets.

The lung is the one grazed by the bullet of Guiseppe Zangara who shot the mayor in attempting the life of President Roosevelt on February 15. A pneumonic infection developed in the organ Sunday.

The pleural cavity yielded old, bloody serous fluid, the bulletin said.

"Prophylactic drainage of the pleural cavity was carried out by a closed method," the physicians continued, "after puncture of the lung that had undoubtedly contained the cavity."

"Mayor Cermak left the operating room in fully as good a condition as when he entered."

Commenting on the bulletin, Dr. C. W. Hutson said, "there is no indication that Mayor Cermak will die tonight or tomorrow. I cannot say positively that he will recover."

Dr. Frederick Tice, Chicago heart specialist, Dr. J. W. Snyder, Dr. E. E. Nichol, and Dr. Hutson attended the mayor in the operating room where the tapping was done by local anesthesia.

JEHOL CAPITAL FALLS TO FOES

Japanese End 11-Day Campaign With Capture of City

CHINCHOW, Manchuria, March 4.—(P)—A handful of Japanese soldiers, posing through a blizzard from Pingchuan, marched into Jehol City at 11:30 o'clock this morning, Japanese headquarters here announced.

Only 125 men were in the advance guard which was first to reach the objective of Japan's 11-day campaign, but they raised the flags of Japan and Manchukuo without firing a shot, then pushed on against weak opposition and the greatest of chaos.

Tang Yu-Lin, governor of the province and commander of its army, had fled. The defending troops were in rapid retreat. Most of the people had left, taking with them all they could carry of their own goods.

Behind the vanguard General Kawahara's 10th infantry moved on toward the capital. This main body had been checked briefly by a force of 3,000 Chinese Sunday before from the capital. There was a short battle and the Chinese were routed, leaving behind artillery, machine guns and various munitions.

Behind the 10th came the 14th infantry under General Hatori. This force scattered the Chinese defending south of Lingyuan and captured the pass at Lanhsu, in the mountains between Shanhaikuan and Kungchuling.

It took only 11 days to conquer Jehol and the attackers, Japanese officers said, cost much less than they had anticipated. It also required less time, for the time headquarters here had predicted Jehol City would fall by March 10.

The immediate work in hand now involves driving the remnants of armed Chinese out of the province. This will require an advance beyond the capital close to the great wall, which now will be the southern boundary of Manchukuo, increased in extent by the annexation of Jehol.

Beyond the wall the Japanese say they do not intend to go.

"We have no desire to pass the wall unless we are compelled to go for the protection of Japanese who live in Peiping and Tientsin," Japanese military headquarters said. "If their safety is not threatened by the Chinese, this conflict is as good as over now."

CHINESE CONFIRM JEHOL FALL REPORT

PEIPING, March 4.—(P)—Marshal Chang Hsue-Liang's headquarters here today confirmed the report

(Continued to Page 10, Column 3)

Arizona Extends Holiday to March 13; New Law Proposed

Penalty for Refusal to Close Sought Following Check Of Alleged Lack of Authority In Present Law; Douglas Banks Remain Open for Business

PHOENIX, March 4.—(AP)—Arizona extended its bank holiday to March 13 today and then moved toward possible resumption of partial banking business before that time by means of scrip.

The house of representatives adopted a bill which would authorize issuance of scrip through clearing house associations to be safeguarded by bank deposits. The senate had adjourned when the house action was completed, owing to the fact the house also originally had decided to wait until Monday for final action on the measure.

The upper legislative house will convene at 8 o'clock Monday morning when the house measure will be reconsidered will receive the bill shortly after 9 a.m. Monday, the house action indicated would that time after an attempt to complete the measure in one session of its reconsideration tonight had failed. The move to reconsider was made immediately after the house had passed the bill in an attempt to prevent any possible move toward reconsideration and delay on Monday morning.

The house vote on the measure was 45 to 9, with nine absent—two vote more than necessary for adoption, the bill requiring a two-thirds vote of the elected house membership as an emergency measure.

To Correct Faults

T. C. White, state banking superintendent, said it was hoped machinery for issuance of scrip would be set up by next Wednesday.

In the same measure the legislature moved to correct faults in its bank holiday enactment of last Thursday and to provide legal machinery by which banks may be forced to comply with the closing order.

Gov. B. B. Moeur on Thursday proclaimed a three-day bank holiday and today extended it in a second proclamation. Five banks had declined yesterday to comply with

(Continued to Page 7, Column 2)

FORMER PRESIDENT IS PRIVATE CITIZEN

NEW YORK, March 4.—(AP)—Herbert Hoover tonight began again his life as a private citizen—with the high honor of a New York hotel changed for the White House—but with the fanfare marking his departure from officialdom still clinging to him here.

Expected to slip quietly into the city, the ex-President instead was met by a throng and a military band playing the long-familiar "Hail to the Chief."

Hoover came directly from his special train to the Waldorf-Astoria hotel, where he has taken a tower apartment and where he expects to remain several days. He dined tonight alone with his son, Allan, and his secretary for many years, Lawrence Richey, before turning early to rest.

The former President, nevertheless, was provided with a special switchboard and was prepared to receive telephone messages from former Secretary Mills and other of his former financial aides at the capital.

EXCHANGE OPEN

CHICAGO, March 4.—(P)—The Chicago Livestock exchange will operate as usual Monday and Tuesday but the directors have called another meeting for Tuesday to discuss the situation. Directors of the exchange and representatives of packing plants have worked out an agreement for operation but advised small shipments because of a limited demand.

Highlights of President's Address

WASHINGTON, March 4.—(P)—Here are some of the pithy paragraphs President Roosevelt's inaugural address:

"First of all, let me assert my firm belief that the only thing we have to fear is fear itself; nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance."

"Only a foolish optimist can deny the dark realities of the moment. Yet our distress comes from no failure of substance. We are stricken by no plague of locusts."

"Practices of the unscrupulous money changers stand indicted in the court of public opinion, rejected by the hearts and minds of men. . . . The money changers have fled from their high seats in the temple of our civilization. We may now restore that temple to the ancient truths."

"Our primary task is to put people to work. This is not an unsolvable problem if we face it wisely and courageously."

"Finally, in our progress toward a resumption of work we require two safeguards against a return of the evils of the old order: there must be a strict supervision of all banking and credits and investments; there must be an end to speculation with other people's money, and there must be provision for an adequate but sound currency."

"These are the lines of attack. I shall presently urge upon a new congress in special session detailed measures for their fulfillment . . ."

"It is to be hoped that the normal balance of executive and legislative authority may be wholly adequate to meet the crisis confronting us. . . . . But . . . I shall not evade the clear course of duty that will then confront me. I shall ask the congress for broad executive power to wage war against the emergency, as great as would be granted to me if we were in fact invaded by a foreign foe."

"The people of the United States have not failed. In this and other days have registered a mandate that expects to remain several days. They have asked for discipline and direction under leadership. They have made no the greatest gift of their wishes. In the spirit of the gift I take it."

POLICE DETECTIVES APPREHEND CLERK

LOS ANGELES, March 4.—(AP)—Police detectives today arrested Raymond Haas, 25-year-old former assistant cashier of Ford, Bacon & Davis, nationally-known engineering firm of New York city, on a fugitive warrant charging him with the theft of $125,000 in cash from the firm's accounts.

Haas, the officers said, was working as a soda clerk in Hollywood, where he was arrested, at a salary of $15 a week.

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