U.S. FACES DEFICT OF TWO BILLION

Secretary Houston Announces Gross Deficit of \$2,100,000,000 For Current Fiscal Year

NEW TREASURY DRAIN WOULD BE DANGEROUS

Flotation of Government Loan Would be Necessitated by Bonus Bill

WASHINGTON; Dec. 23 .- Declaring that the government faces for the current fiscal year, Secrecongress should avoid putting a heavier burden on the treasury department. The estimate came as a surprise to the committee as greater than that recently estimated by Senator McCumber, North Dakota, one of its mem-

Revenue Sources Are Needed For the fiscal year ending June 20, 1922, the treasury head estimated the deficit would be approximately \$1,500,000,000 and he added that it could be seen that new sources of revenue must be sought to meet even current

requirements. Mr. Houston was called before the committee to discuss the soldier's bonus, which according to estimates would require an ounlay of \$1,500,000,000 and he indicated that the treasury would oppose any action by congress that

The secretary also reiterated his objections to the revival of the war finance corporation. It would new program of borrowing.

Houston Opposes Bonus Bill The committee asked Mr. Houson to return for further testimony Monday.

Market prices of liberty bonds and other government securities re said in a statement today by etary Houston to be suffering as a result of the continued case. discussion of the soldiers' bonus and the various legislative measures for the relief of farmers, such as the revival of the war fi-

Enactment into law of either secretary declared, would necesment of a loan which would add Murphy. to the mount of government secarities now outstanding and cause consequent reaction in the market for government bonds,

Bond Issue Necessitated

Necessity of a bond issue to finance a soldiers' bonus, Mr. Houson said, is readily understood, but it would be equally necessary for the government to borrow in order to enable the war finance corporation to function. The corration, he said, has about \$370,certificates of indebtedness in order to raise the money.

Discussing a sales tax to provide government revenues, a subject now under consideration by house ways and means committee, the secretary declared himself opposed to a general sales tax on the ground that it gressive taxation. sales tax applicable to certain and iron bars. classes of articles not necessaries unable to pay.

TURKKY SHOULD LIVE

PHILADELPHIA, Dec. 23. saiah Bowman, president of the ussing Constantinople and the benefit to the world than the About 40 pounds of spuds, I 'death of the patient" would

Mr. Bowman, who was chief territorial advisor of the Ameri- Los Angeles Times Will can peace commission, declared that although the Turk was not tually expelled from Europe, he is really no longer there so

orces of the Turk in Europe 000 as additional compensation along the Oregon coast today by demands \$250,000 from each phyat's notice."

BEAR OBJECTS TO

TRUCK DRIVER HAS ADVEN-TURE ON CHEMAWA ROAD

Bruin Causes Larmer's Man to Overturn in Ditch and Shaggy Passenger Returns Home

Coercive methods don't work well with a bear. If you want Bruin to co-operate in a function of any kind it's a good idea to get the bear's consent. Ask Frank Bligh.

Frank, it seems, had bargained with some one at Chemawa for the use of one of the Chemawa bears at a Liberty theater performance last night.

The bear wasn't consulted. He was hoisted bodily into a crate and the crate was derricked onto one of the Larmer trucks. The truck started for Salem and the bear was so grouchy as to be real disagreeable

At a point where the Chemawa road joins the Pacific highway Foreign Occupation Is Only Bruin started a demonstration. He took a few swipes at the boards that hedged him in and made so much noise that the truck driver-who has carefully covered his name-looked around Now that it's all over, seems as if lit must have been bear cunning. a gross deficit of \$2,100,000,000 and that Bruin knew just what would happen. Anyway the driv tary Houston today warned the er lost control of the wheel. The senate finance committee that | truck turned turtle in a ditch. The bear crate was broken asun der. The bear bit his Indian ttendant as he left the wreck. The last seen of him he was going was nearly \$1,000,000,000 | back to Chemawa with the Indian in pursuit.

KRUVOSKY IS

Three Other Alleged Gangsters Await Trial as Accomplices in Attack

SAN FRANCISCO, Dec. 23. Edward Kruvosky, San Francisco would tend to open a new drain pugilist and the second of five men to be tried for criminal attacks on young women, was found in London," the general said. guilty in the superior court here mean, he said, that the secretary tonight. Like his co-defendant, would be compelled to launch a Edmond Murphy, who was convicted last Monday of the same porate Bolshevism in the Europecharges, Kruvosky faces an in- an concert would be wrong. Any determinate prison sentence of

from one to 50 years. Kruvosky's trial began Tuesday. December 21, and the character of the testimony paralleled that developed in the Murphy.

Miss Jessie Montgomery, Rena, Nev., and her companion, Miss Jean Stanley, formerly of Port- ance of a new Napoleon in Russia land, Or., who were named in the is out of the question. Kruvosky indictment as the mistreated girls, and the physicians would inevitably be followed by a of these propositions, the treasury who attended the young women, reign of unparalleled anarchy were the principal witnesses The only thing that remains it

> Three other alleged gangsters are awaiting trial as accomplices in the same attack, which was committed early in the morning staff naturally made use of every

> of Thanksgiving day, The arousing of public sentiment against the men resulted in means was poison gas; another elaborate police protection from was Lenine. possible mob violence for the men on trial here.

It was in connection with the rounding up of other men suspected of criminally assaulting sent Lenine and his friends disorthe treasury, but to resume its young women in San Francisco ganized the Russian army. Von activities it would either have to that Sheriff James Petray of So-Issue bonds of its own to obtain noma county and Detectives Miles funds or call upon the treasury M. Jackson and Lester H. Dorman for its balance, in which case the treasury would be forced to issue at Santa Rosa, Cal., Sunday, December 5. Five nights later George Boyd, an ex-convict who The secretary also said he was previously had confessed to the opposed to the various proposals killing of the peace officers and for extending credit to foreign na- his two companions, Terrence tions on the basis of government Fitts and Charles Valento, were funds, the administration having taken from the Santa Rosa county decided there should be an end to jail by a mob and hanged in a

JAILBIRDS WEAR SMILE.

SAN FRANCISCO, Dec. 23 .-Inmates of the county pail here was contrary to the theory of pro- wore smiles of anticipation today Lloyd-George carry on negotia-He added, despite the prospect of spending tions and make concessions if they owever that he favored a selected Christmas day behind stone walls fully reckoned the frightful dan-

For Frank Leroy "was in sents?" of life which he said, would keep again." His presence, jail officthe burden of the tax from those lals said, assured prisoners a that the army command later re-Christmas dinner unsurpassed "on alized the danger and a plan was

Leroy, nomadic cook, comes to throw of Bolshevism but events San Francisco from the lumber developed so rapidly, following camps or mines, "goes broke," upon the assassination of Count and requests that he be jailed, von Mirbach, German ambassador American Geographical society, lest he do "something desperate," to Russia, in Moscow, and the sitofficers said. His apperance to- nation on the west front had be-Balkan states at the third session day allayed apprehensions that come so critical that it was imof the Public Ledger Forum on his custom was to be broke. He possible to force the issue." night defended the settlement reed. He left the courtroom, arm Two Firemen Killed When Parding Turkey. He said the "op- in arm with the jail keeper, with geons of Versailles upon the sick thanks for the judge and "now, lieutenant, about them potatoes.

Give Employes \$100,000 \$50,000.

LOS ANGELES, Dec. 23 .- The ar as any power or influence is Los Angeles Times announced to-"The present feeble military custom, it would distribute \$100,- Warnings of an approaching they charge, were responsible for the forests and several villages. Electrical Exposition in Portland of the year.

THEATRICAL JOB BOLSHEVISM IS PROBLEM FOR WORLD

General Hoffman, Declares Armed Intervention by Great Powers is Only Solution of Red Peril

WHOLE REGIME MUST BE SHOWN OBLIVION

Hope for Devastated and Torn Russia

BERLIN, Dec. 23. - General Wilhelm Hoffman, who played an important part in the Brest-Lit ovsk negotiations, declared in at interview in the Berlin Russian Daily Rul that Bolshevism is a world problem now which can be solved only by armed intervention by the great powers acting in con cert. An international army under the leadership of Pershing, Joffre or Foch should occupy Petrograd, General Hoffman said, then march on Moscow, which, he asserted, is bound to fall before any well equipped and properly officered force.

Whole Regime Must Be Unhorsed With the occupation of Moscow Protsky and Lenine would be unhorsed and the members of the whole regime, General Hoffman predicts, would ask "safe conduct to pass the shortest way to oblivion." He felt certain that the Russian workmen would be glad to desert their present leaders at the first indication of their over throw.

"Moscow must be spoken to it the language of Brest-Litovsk, not in the language of Lloyd-George The general continues:

"To remodel bolshevism is impossible. "Any entente attempt to incor-

trade relations with Russia would only furnish a cloak for red prop aganda. Trotsky Uses Scourge. "Trotsky has studied the his

tory of the French revolution and knows the use of the scourge. Under his system no man can rise to power from the army; the appear-"The crash of the soviet regime

sitate flotation by the govern- against Kruvosky, as against armed intervention by the great nowers As chief of staff of the German east army during the war I directed the propaganda against the Russian army. The general possible means to break through the Russian front. One of these

"The imperial regime despatched Lenine to Russia from the Swiss frontier in a sealed car for a definite purpose. With our conretary of foreign affairs), Count Czernin (Austro-Hungarian foreign minister), and I then closed the Brest-Litovsk treaty so that we could throw our army against the west front. While in Brest we were convinced that the Bolsheviki could not hold power more than three weeks.

Power Was Not Foreseen. "In spite of the valuable service Trotsky and Lenine rendered. we neither knew nor forsaw the danger to humanity from the consequences of this journey of Bolshevists to Russia. At that time we weighed the matter with as

does now. "Would the allies and especially which Bolshevism repre-

General von Hoffmann said laid before the supreme command Annually at the holiday season of the eastern army for the over-

ST JOHNS, N. F., Dec. 23. -Two firemen were killed and four injured in a fire which destroyed men. The loss was placed at

STORM IS WARNED

REAL SPIRIT OF CHRISTMAS IS SHOWN BY PEOPLE OF SALEM IN REPLY TO APPEAL FOR POOR

Salem folk have caught the spirit and the real meaning of Christmas and are converting it into action, in making this a giving instead of a receiving Christmas. In consequence of this, the poor of Salem will be aided in a splendid, tangible way and if there are any so forlorn and whose condition has become so deplorable to lose faith in humanity, a renewed belief must surely be inspired by the generosity of local people at this time.

Contributions in response to The Statesman's appeal kept coming in all day yesterday, and there were many things registered that are to be collected today. A number of business men have offered the use of their cars for both collecting and delivery, and with the Boy Scouts out of school and reporting for service, everything should be distributed by Christmas day.

And not only gifts were received Thursday, but names of those in need were likewise added to the list which The Statesman already had made up from those received from the Red Cross and from individuals, and in some instances the needy themselves applied by letter.

Who so calloused as to resist the following apneal?

'We would be thankful for a little Christmas cheer if you have any to spare. It seems like we have had sickness or a broken bone ever since last March till now we are in pretty close quarters. My husband got his foot broke the 13th of August and walked on crutches for nearly three months, and our oldest girl had to be treated for spinal trouble and I have been sick. My little boy has just got his arm out of the sling with two fingers cut off. We need clothing about as bad as food. We have six children and my husband is working, but it seems that times are so hard that it is hard to make all ends meet, when there is lots of sickness. Wish you a merry Christmas and happy New Year."

Money too, was received, and wherever names were given these will be published later, but folk who have been generous with their means prove in a great many instances parsimonious with their names, and so a great many things will have to be listed as merely "from a friend."

Offerings will be received today and tomorrow. Phone 106.

LAST LINK IS UNION OUSTER **NOW COMPLETE**

ished, Highway Engineer Nunn Announces

The Canyon creek arch, the last | The petition of the Oregon

time has been an impassable bar- I. C. C. has been granted. little consideration as the entente rier on the Pacific highway dangerous road through the sum-

mer mouths. orced construction, is Utility commissioners one of the largest bridges of its

bureau of public roads. eliminates all of the detours on situation by the interstate comthe Pacific highway with one ex- merce commission ception. This is located in Joment, however, is maintaining controversy at Oakland, Calif. this detour in a passable condition and the Pacific highway will continue open to through traffic all winter."

St. Johns Theater Burns Sisters Bring Suit Against

the Star theater today. One of the for \$1,000,000 compensation for for many miles around was strewn walls collapsed burying the six ten years detention in the asylum with ashes. Later a thick column by Miss Phebe M. Brush and Ler ing furnace. sister Ada D. Brush, against Docter Lindsay of Huntington, who, shocks.

Canyon Creek Arch Fin- Oregon Service Commission Draws First Blood in Portland Controversy

unfinished link in the Pacific public service commission to the highway engineer, said yesterday, of the Spokane, Portland and Se-"To the traveling public," said attle and Great Northern rail-Mr. Nunn, "this stretch of road roads from the Portland union has always been known as Cow terminal be held up until an in-Creek canyon, and up until this vestigation has been made by the

The public service commission through the winter months and a was so informed late yesterday afternoon in a telegram from John E. Benton, solicitor for the Na-

The telegram stated that Chairtype in the state and was built in man Clark of the interstate comvice under the supervision of the the carriers to continue existing der. conditions at the Portland form-The completion of this bridge inal pending consideration of the

sephine county on Sexton moun- man Clark has made a similar retain. The state highway depart- quest relative to the terminal

Activity of Volcano Asama Causes Alarm

TOKIO, Dec. 23 .- The continued activity of the volcano Asama Doctors for Insane Charge is cathing alarm. Violent explosions occurred in the crater Wed- Alaska Invited to Take NEW YORK, Dec. 23. - Suits nesday evening and the country for the insane at Kings Park, of flame and smoke shot skyward Long Island, were instituted today and the entire crater was a blaz-

> ble to gain access to the fire zones owing to the lava streams,

SURROUND FIUME CIT

Civilians Begin to Evacuate Town Fearful of Facing Seige of Powerful Government Patrols

BLOCKADE ENFORCED BY FLEET OF POLA

Throughout Last Night City Appeared in Darkness-Train Service Cut Off

TRIEST, Dec. 22 .- Finme surrounded by government forces. The approaches are heavily guarded on the morth, east and west by powerful patrols of cara- Rocky mountains. bineers and Alpini. Nothing is being allowed to go into the town, but exit is permitted to those who wish to withdraw rather than to face a seige. By sea the fleet of Pola is not permitting the passage of any craft. Blockade to be Enforced

Throughout last night Fiume ppeared to be a city of darkness. frains are not permitted to pass Abbazia, where all passengers destined for Fiume must get out Mayor Gigante of Fiume has been notified by General Caviglia of the steps the government intends

to take in enforcing the blockade. There has been no decision an nounced as to the attitude the commander of Fiume will take orders obtained from the Russian toward withdrawal of the residents there. There was no marked change in the number of departures from the city today, bers of the syndicate of Los An-All leaving will have to do so on

Evacuation Has Begun

LONDON: Dec. 21 .- The evacu-Already 100 refugees have arrived at Candrida. The food situation in Fiame is considered almost desperate.

The population numbers 52,000 more than a fortnight. The situntion in the islands of Arbe and Veglia is considered even worse.

A majority of the population of Fiume, says the correspondent, disavows any encounter involving bloodshed. Even some members of the regency disagree with D'Annunzio. His finance minister, Professor Pantaleoni has resigned and left Flume. Fifteen men have deserted from his army. Deputies Suzi and Deambris have left Fiume for Rome to submit a proposal that Italy recognize the regency with Barros. Arbe and Veglia while the regency renounce the immediate annexation of Fiume to Italy and fur-

ther action in Dalmatia. The greater part of D'Annunzio's legionaries who landed at Castelvenier have been captured by the Italian regutars, says a Triest dispatch to the London

D'Annunzio's forces consist of 5000 troops at Fiume; 200 at San Marcos; 200 on the island of Arbe and 600 on Vegliq. The pote's fleet includes five destroyers, two torpedo boats, eight tugs and five to bring together the imperial Cabinet Is Called by Poet.

of war yesterday, and it was de- hoped Christmas would mark the cided to remain firm and oppose! highway, was completed Tuesday interstate commerce commission Italy's enforcement of the Rapallo of this week, Herbert Nunn, state asking that the proposed ousting treaty at the expiration of the time set by General Caviglia.

The Italian commander in chief ordered that the blockade should; be effective beginning at 6 p. m. December 21, by land and sea, to the territory of the state of Fiume and to territories outside of Fiume occupied by the Fiuman troops, and to the islands of Veglia and Arbe. The troops were "This arch, which is of rein- tional Association of Railroad and ordered to proceed according to international law and the treaties in force by whatever means, against anyone who should atco-operation with the forest ser- merce commission has requested tempt to violate the blockade or-

The order of General Caviglia gave ships belonging to the state of Finme 48 hours after the time of the blockade to withdraw from the zone of the blockade and an equal time limit was set for the departure of foreign subjects, citizens or legionaries. The order added that after the expiration of this time limit, ships or persons endeavoring to force the line of blockade by land or sea would be compelled to face the consequences prescribed by international law and the treaties in force.

Part in 1925 Exposition

PORTLAND, Or., Dec. 23,-W. H. Downing, president of the local Alaska society has written to Towns around the volcano suf- Governor Griggs of Juneau asking tors William B. Gibson and Wal- fered from heavy earthquake that the territory take part in the Atlantic-Pacific Highways and

SANTA MUST ABANDON HIS FLEET REINDEER

SNOWLESS CHRISTMAS

and General Unsettled Weather for Merry Day

WASHINGTON, Dec. 23-Santa Claus on his visits to the homes of American children tomorrow night will be compelled to resort almost completely to an airplane some similar new-fangled conveyance for the weather bureau tonight forecasted a snowless Christmas for almost the entire United States.

"Fair and cold" was the weather forecaster's general prediction. The only snow of sufficient depth for the sleigh of the Christmas saint, the bureau said, would be in Wisconsin, northern Michigan, northern New York and northern New England, where snow fell early in the week and has not melted. There may be snow in the northern Rocky mountain region, it was said, but elsewhere the fall will be confined to flur-

The Pacific coast was excepted from the forecast for fair weather, the charts and maps of the weather bureau showing that rain and generally unsettled weather might be expected west of the

W. D. Vanderlip Declares Pacific Will Get Large Part of Russian Orders

LOS ANGELES. Dec. Steps to obtain for the Pacific coast as large as possible a porion of the \$3,000,000,000 trade government by Washington. Vanderlip, Los Angeles engineer. were taken today here by memgeles capitalists, who financed his recent trip to Russia, where he also obtained a lease on 400,-000 square miles in Siberia.

According to a story the Angeles Times will print tomor- ing all nations row, iron and machinery prod- by admitting two late enemies ucts, meat, silk and steamships are among the largest items in the king. "that the spirit of har-The larger part of the mony and good the order. order. Mr. Vanderlip said, would at the assemb be filled in the eastern part of the value of the league as a for and the food supply will not last the United States, but "the Pacific making for conciliation and peace coast will have as much of the throughout the world." business as it can care for."

"One hundred steamships o 10,000 tons or more constitute tinues. ships will be constructed here, but the order will be large en- Ireland the king said: ough to keep the Pacific coast yards at full speed for a long grieves me profoundly. I det well drilling machinery, agricul- rage whereby a small section tural implements and other sup- my subjects seek to sever Irela plies will be included in the or- from the empire and I sympathis ders placed on this coast."

of the orders was contingent on a relations between this government and soviet Russia. He said the recent announcement of the no restriction on trade was "merely camouflage."

Will Christmas Usher in Peace for Ireland?

LONDON, Dec. 23 .- The intermediators who have been trying government and Irish representa-The poet called a meeting of his of a truce in Ireland are not cabinet of "regtors" in a council ceasing their endeavors. It was cossation of the long continued reign of terror.

Archbishop Clune of Perth. western Australia, whose activities in Ireland and London are being on preliminary negotiations, has returned here.

FOR PEACE

PRICE: FIVE CENTS

At Proroguing of Parliament George V Expresses Desire for Continued Friendliness With Powers

CROWN IS GRIEVED AT VIOLENCES OF IRISH

Hope Is Given That Home Rule Bill Will Bring About Unity and Friendship

LONDON, Dec. 23,-The king's speech on the occasion of the pro-rogulag of parliament as midnight might after reference to the contifued friendly relations with foreign powers, alluded to the Greek difficulty and declared that the government would, in conjunction with the allies, endeavor to reach a solution compatible with their joint responsibilities.

Hope Expressed for Russia The situation with respect to Russia was described as still unsettled and obscure and the king expressed the hope that trade with Russia would soon be resum and lead to an era of peace, gre ly needed by the suffering people of eastern Europe.

"It is of the highest impor tance," the speech contin "that Poland and her neighbo should compose their political difficulties and devote their undivid ed energies to producing internal stability and the task of econ

reconstruction. The distribution of the mandates and other work of the assembly of the league of nati were taken up and the as was declared to have "shown sense of the importance of

Irish Affairs Grieve King The promise was given that the one of the items," the story con- government would make every co-"Only a part of these fort to reduce expenditure, Dealing with the subject

"The state of affairs in Ireland period. Tractors, gas engines, the campaign of violence and outwith the loyal servants of the Mr. Vanderlip said fulfillment crown who are endeavoring to re-'proper' establishment of trade under conditions or unexampled difficulty and danger.

that all sections of the people of state department that there were Ireland will insist upon a return to constitution methods which alone can put an end to the events which threaten ruin to that country and make possible reconciliation and a lasting peace," Then announcing in brief, the nome rule bill, the king contin-

"It is my most earnest hope

"I sincerely hope that this act. the fruit of more than 30 years of ceaseless controversy, will fintives for the eventual arranging ally bring about unity and friendship between all the peoples of kingdom."

CANADIAN RATES CUL.

The Canadian Parific railway to lieved to have an important hear- day announced a reduction of 10 per cent in all rallway fares between points in Canada,

LEST WE FORGET

America must make good in this drive for the European sufferers, or 17,000 American relief stations will have to close after January 1.

The wistful, hungry eyes of 3,500,000 innocent sufferers are turned to America, the last and only hope of a distracted people.

Surely, we cannot fail them in this, their hour of There are no committees to visit you. You must send

in your subscription unsolicited. Send it to your bank in the name of the American Relief council. Do it now. You will be the happier for it.

EUROPEAN RELIEF COUNCIL

Make check payable to

F. G. Deckebach, Chairman

Marion County Committee, Salem, Oregon

Please find enclosed my contribution as part of America's Christmas Gift to the Starving Children of Europe.

Name.

Address.