

HUGE SPENDING PROGRAM GETS QUICK SUPPORT

Expenditure of 16 Billions is Proposed in Budget Set Before Congress

Borrowing of Ten Billions Proposed; Paying Basis After 1935 Forecast

WASHINGTON, Jan. 4. (AP)—President Roosevelt today asked congress to approve the biggest peace-time spending program in American history and, despite some headwinds, it was soon apparent that his recommendations would be enacted in much the same form as he submitted them.

Some democrats were surprised at the size of the figures proposed, while the republicans expressed amazement and a few of them concern. The president's party with its huge majority rallied staunchly around him, however, and support, or at least no intention of opposing the program, was indicated by some members of the minority.

Reduced to simplest terms, the budget for the fiscal year ending June 30, 1935, and estimates for the remainder of the current year forecast:

Government borrowing of ten billion dollars in the next six months.

Expenditure for the two years totaling \$16,520,895,667. Receipts aggregating \$7,234,604,234, a deficit for the two years combined of \$9,286,291,433, and a consequent increase in the public debt to \$31,534,000,000, the highest point it ever has reached.

Of these disbursements, \$5,017,483,467 were listed as general outlays for the ordinary expenses of the government and the remainder, \$11,516,517,960, was set down as emergency spending intended to further the recovery program.

"It is my belief that so far as we can make estimates with our present knowledge, the government should seek to hold the total (Turn to page 2, col. 1.)

SLEDDING IS ROUGH FOR CONTROL BILL

OLYMPIA, Wash., Jan. 4. (AP)—Although blocking an attempt to sidetrack the liquor control bill in favor of general legislation and working all day on the Steele state stores plan of retail sales, the house tonight had accomplished little or nothing in getting anywhere with the knotty problem.

By exact count, 347 words were read of the approximately 15,000-word document today, and the representatives were not through with that portion of the measure when they adjourned until tomorrow. The first three sections of the bill were covered yesterday, and a like number today, leaving 90 more to go.

Twenty-one proposed amendments caused bitter verbal battles and only two were adopted during the seven hours of debate. The new changes are:

1.—Providing that the liquor commission will fix the price of liquor to allow not more than a net revenue of 25 per cent instead of "approximately" 25 per cent.

2.—Authorizing hospitals to purchase alcohol through federal permits.

16 Men to Start Work Today, Mt. Angel's Project

Returning from Mt. Angel last night, Manager E. T. Barnes of the national re-employment agency here announced he had arranged for 15 laborers and a foreman to go to work at 8:30 o'clock this morning on the street and water system CWA improvement recently approved.

Because that number of men brings the county up to its quota of 1411 on such projects, no more will be placed for several days, Mr. Barnes said, but later from time to time more probably will be added to bring the total employed on this job up to around 50.

Relief Director Ex-Dallas Pastor

Clarence W. Reynolds, transient relief director for Oregon, formerly was pastor of the Dallas Christian church, according to R. R. "Bob" Boardman, local transient relief supervisor, who conferred with Reynolds at Portland yesterday. After his pastoral at Dallas Reynolds enrolled for graduate work in the highly endowed school of human relations at Yale university.

FORTY MEET DEATH IN CALIFORNIA FLOOD



Photo shows wreckage on the main street of Montrose, Cal., a suburb of Los Angeles. Montrose was the principal sufferer in the storm that struck southern California early on New Year's day. At least 40 persons were killed and there were a great number still missing Thursday after the check-up had continued for four days. Property damage was extensive.—International Illustrated News Photo.

The Washington Spotlight

(By the Associated Press)
The president's budget message, calling for government borrowing of \$10,000,000,000 in six months, and an \$11,125,000,000 expenditure, and \$9,000,000,000 deficit for the next two years, went to congress.

Senate finance committee approved the nomination of Henry Morgenthau, Jr., as secretary of the treasury.

Public works administration allotted \$38,294,237 for 167 non-federal projects.

Senate asked the treasury for full information on war debts.

Senator Robinson, the democratic leader, said he looked for no legislative action on silver, that the St. Lawrence waterways treaty probably would be taken up this session and the world court protocol probably would not.

House took up the liquor tax bill calling for a \$2 a gallon tax on spirits.

The president sent more than 100 recess nominations to the senate for confirmation.

Representatives of 33 dry organizations in a conference decided to merge in a campaign against liquor.

Case of Prison Goods Up Soon, Supreme Court

SAN FRANCISCO, Jan. 4. (AP)—Attorney General U. S. Webb and his assistant, H. H. Linney, left tonight for Washington to appear before the United States supreme court in behalf of the state in two cases.

On January 8 the case of Alabama vs. California and 17 other states involving the constitutionality of the Hawes - Cooper act, which subjects prison-made goods to the laws of various states upon their arrival there, will be heard.

Oregon Briefs

PLAN MORE HEARINGS
PORTLAND, Ore., Jan. 4. (AP)—More hearings will be held before the state milk control commission announces new milk rates, Chairman E. G. Harris stated here tonight.

Mayor Joe Carson urged the commission to defer milk price increases until the city had opportunity to present the consumer's side of the case.

To present the consumer's case Mayor Carson appointed a committee of five to meet with the commission.

JOHN CLAIR VICTIM

ROSEBURG, Ore., Jan. 4. (AP)—A large rock rolled down an embankment and killed John Claire, 24, of Astoria, Douglas county, Oregon, at the Smith Riverside camp of the Reedsport CCC camp, the Unquaga national forest headquarters here said it was informed by telephone late today.

The camp can be reached only by boat up Smith river from Reedsport and details of the tragedy were not ascertained. In the meager report Claire was reported to be survived by two brothers who operate the Clare Lumber company mill at Astoria, a brother at the Wolf creek CCC camp in Douglas county and his

COLLAPSE OF DAMS RUMOR IN TRAGEDY

Investigation of Flood in L. A. District Ordered; Search for Bodies

LOS ANGELES, Jan. 4. (AP)—Taking cognizance of persistent reports that canyon check dams collapsed and loosed walls of water on two hillside communities, Frank A. Nance, county coroner, promised tonight a sweeping investigation of the causes of the disastrous New Year's eve flood.

His announcement was coupled with the issuance of the coroner's official report showing 38 bodies had been recovered from the stricken area of Montrose, La Crescenta and others. The missing list was pared down to 50.

One thousand workers continued searches for bodies in the sodden heaps of mud, debris and rocks which clutter the Verdugo hill slope communities where the deluge was worst. Many of the missing, authorities believed, will be found in the debris.

Impaneling of a special jury of experts for the purpose of ascertaining whether "any human negligence caused the death toll," was ordered by Coroner Nance. He said special attention will be paid to reports that check dams in Pickens canyon, near Montrose, collapsed.

Seattle Firm is Low on Side Dam Bids, Bonneville

PORTLAND, Ore., Jan. 4. (AP)—The bid of Johnson Brothers of Seattle on construction of a side dam at Bonneville was found to be low when proposals were opened here today at the district office of the United States army engineers. The Seattle firm bid \$378,305.

Of three bids submitted Guy F. Atkinson company of San Francisco and Portland was second with a bid of \$1,238,023, and the General Construction company of Seattle, third, with \$1,417,650.

Milk Price is Delayed Rock Kills CCC Worker Wild Foxes Atop Hood Federal Convict Sent

mother, said to be living in eastern Oregon.

VISITOR VIEWS THEM
PORTLAND, Ore., Jan. 4. (AP)—Eight wild red foxes were captured like kittens in the snow and among the icy crags above 9500 feet above sea level, reported Irving E. Lincoln of Portland after a New Year's day climb to the top of Mt. Hood.

After half an hour of play the foxes vanished into their dens under the frozen earth and snow when Lincoln shouted to attract the attention of his two companions.

AUDITT EX-CONVICT

LA GRANDE, Ore., Jan. 4. (AP)—United States Marshal George Vogelstein left for Portland today with T. J. Audett, alias "Miller," a convict, charged with violation of the Dyer act, before United States Commissioner L. Denham.

The officers said Audett told them he figured in a Leavenworth prison break several years ago. State police said records revealed that Audett, alias "Miller" and several other names, served a term at McNeil Island prison for violation of the Dyer act and escaped for two and a half months while being transferred to Leavenworth.

World News at a Glance

(By the Associated Press)
WASHINGTON. — Roosevelt asks governmental borrowing of \$10,000,000,000 in next six months; seeks balanced budget.

WASHINGTON. — House approval indicated as debate starts on \$300,000,000 liquor tax bill.

NEW YORK. — "Routine" police roundup brings 143 gangsters to headquarters.

WASHINGTON. — Roosevelt recommends slight increase for compensation, decrease for hospitalization in vets budget.

PENSACOLA, Fla. — Two tornadoes injure eight, wreck 35 residences.

WASHINGTON. — Senate democratic leader predicts no legislative action at this congressional session.

NEW YORK. — Railroad trainmen head says government ownership only alternative to destructive rail financing policy.

CHICAGO. — Trial of 13 officers charged with racketeering conspiracy.

Foreign: ROME. — Mussolini, British minister agrees on policy of abandoning disarmament proposals incapable of prompt effect.

PEIPING. — Renegade warlord leads 700 outlaw followers toward Shantung.

LONDON. — Duke of Westminster asks damages from niece for alleged libel.

TORNADOES CAUSE DAMAGE IN SOUTH

PENSACOLA, Fla., Jan. 4. (AP)—Two tornadoes which first appeared as huge water spouts in Pensacola bay swept into the city today, seriously injuring eight persons and wrecking about 35 residences.

One of the injured, three year old Marion Kenneth Risby, probably will die. Many other persons were treated for minor injuries. Others seriously hurt were: J. A. Crane, and two members of his family; another white person not identified and three negroes, Betty Baldwin, Elizabeth Morris and James Dexter.

More than 100 buildings, including two at the naval air station, were damaged.

Auditor Departs When Hearing on Accounts Called

BOISE, Idaho, Jan. 4. (AP)—Mayor J. J. Macneil said tonight he had called a city council meeting for tomorrow to consider the possibility of a new audit of the city books in event Clarence Van Deusen, now in Oregon, refuses to return to testify before the grand jury on his findings in connection with the defalcations of Mrs. Angela Hopper, former city clerk, who is now in the penitentiary.

The possibility of a new audit, he said, will be discussed along with other phases of the situation brought about by Van Deusen's departure yesterday for Nyssa, Ore., to avoid being called to testify. The accountant, who spent several months auditing the books of the city clerk's office, told newspapermen he would not return until changes had been made in the personnel of the grand jury.

REPEAL ASKED FOR PARTS OF RECOVERY ACT

Most Measures Propose to Broaden Program but Some Oppose It

Dickinson Leads Way, Urges Only Shell of Measure Be Kept in Force

WASHINGTON, Jan. 4. (AP)—The effects of the administration program of last session were reflected today in the stream of bills which sought to broaden it. Some, however, reflected sentiment for an about face, one measure by Senator Dickinson (R., Ia.), seeking the repeal of the national recovery act save for sections declaring a national emergency and authorizing the government's construction program.

Senator Borah (R., Idaho), sought the repeal of the provision of the act that exempts industries operating under codes from the anti-trust laws.

On the other hand, Senator Norris (R., Neb.), advocated the establishment of a Missouri valley authority to study the feasibility of improving the Arkansas river and the Colorado (D., Colo.), and Wagner (D., N. Y.), proposed to make state and local officers and governmental employees liable in federal courts for neglect of duty or conspiracy in lynchings.

The farm credit administration would be authorized to make crop loans to farmers during 1934 similar to those made during the past year, under a bill by Senator Smith (D., S. C.).

Other measures introduced included: Senator McNary (R., Ore.), authorizing the postmaster general to make 10 - year contracts for transporting foreign air mail in American-built aircraft.

Senator King (D., Utah), free college of silver at the ratio of sixteen to one with gold.

Senator Connally (D., Tex.), make cattle a basic agricultural commodity under the agricultural adjustment act.

Senator King, independence for Philippines.

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Here is what some legislators had to say:

Senator Robinson of Arkansas, the democratic floor leader: "The frankness of the message commends it. It disclosed the existence of a large deficit, but anyone familiar with the extraordinary expenditures of the government must have anticipated it. It is gratifying to know that with respect to ordinary expenditures the budget already is approximately in balance."

Senator McNary of Oregon, the republican floor leader: "The sums recommended are the largest in peace-time and we will have to slow down in the process of spending or we will never come back in earnings."

Speaker Rainey: "There is nothing so alarming about an increase of six billion in the national debt when the normal national income is around \$78,000,000,000. The deficit won't be paid in all one year but in time."

Previously work was commenced at Astoria and Coos bay on construction of new fields.

Engineer Named To Direct CWA Projects Here

PORTLAND, Jan. 4. (AP)—C. C. Hockley, state CWA engineer, today announced the appointment of 15 district civil works administration engineers.

Each engineer will cover from two to four counties, checking and inspecting all civil works projects, assisting local civil works administration in preparation of new projects and in caring for civil works administration conditions generally.

All men appointed are registered engineers. R. A. McClathran of Silverton, was named to serve at Salem.

Stabbing Victim Unable to Tell Possible Reason

PORTLAND, Ore., Jan. 4. (AP)—At a hospital here today Everett Hanson, 22, could give no reason for being stabbed above the heart three times by an unknown assailant.

Police said Hanson reported that he was attacked while walking on a southwest corner street near Fourth avenue. The assailant brandished a small pocket knife or an icepick, he said. The wounds were described at the hospital as not serious.

Elijah Corbett Dies From Fall as Time For His Trial Nears

Ex-County Clerk Falls From Window Where He Was Painting; Finger Prints Show Attempt Made to Save Himself

MINNIVILLE, Ore., Jan. 4. (AP)—On the eve of his scheduled burglary charge trial, Elijah Corbett, ex-county clerk of Yamhill county, was killed when he fell from an upstairs window in his home here tonight.

Coroner Macy said he found finger prints on the sash where Corbett was painting, indicating the man clutched for a hold when slipping. Corbett's neck was broken and his skull fractured, a cursory examination revealed. An autopsy to learn if heart failure caused death will be held tomorrow.

Corbett, about 60 years old, was arrested December 23 in the office of his successor after the present clerk, E. F. Perkins, missed several sums of money.

The arrest was made during the lunch hour. In Corbett's possession were found keys to the clerk's office and the vault, the sheriff reported.

Surviving are a widow, a son, Elijah Jr., and a married daughter who lives in Salem.

BOARD OF CONTROL SESSION PEACEFUL

Holman Refuses to Approve Linen Mills Contract; Materials Bought

The state board of control, meeting here Thursday for the first time since early in December, went through its routine business in five minutes and adjourned. Governor Julius L. Meier and State Treasurer Rufus C. Holman attended along with William Einsig, board secretary. Hal E. Hoss, secretary of state, was unable to be present.

While Treasurer Holman frequently complained of late of the dearth of control meetings, he brought up little business and made no additional statement regarding the need of board meetings.

The treasurer did refuse to vote for a contract previously drawn between the state, the Salem Linen Mills and the John H. Davis company of California. Under this contract \$4000 of a \$12,000 past due account of the Salem Linen (Turn to page 2, col. 5.)

M'NARY BESPEAKS HALT IN SPENDING

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Weather Bureau Veteran Called

ROSEBURG, Jan. 4. (AP)—William Bell, 82, dean of the U. S. weather bureau, died here last night.

For 46 years he was in federal service, enlisting with the signal service of the army in 1880 and serving in that department until 1891 when he was transferred to the weather bureau. He was with the weather bureau until retired in 1926.

Coomler Chairman, Edwards Clerk, Unit of Milk Co-op

J. M. Nichols of the Bethel district was nominated for re-election as the Salem unit member of the Oregon Dairy co-operative association board of directors at the Salem co-op meeting at the chamber of commerce yesterday.

M. M. Coomler of North Howell was named chairman of the Salem unit for the year, and W. R. Edwards of Lincoln, clerk.

Senator Joe Dunne, one of the sponsors of the milk control bill at the last special legislative session, addressed the local dairymen, dwelling especially upon salvation to the industry through the control bill. He congratulated the members upon cooperation and organization and urged that they continue "sticking together."

LIQUOR OFFICE MAY NOT BE IN SALEM, STATED

McMorran Says Location to Depend on Plans for Distribution

Administrator Choice to Be Made Soon; Other Issues Expected to Wait

PORTLAND, Jan. 4. (AP)—There is possibility that the main office of the state liquor control administration may not be in Salem, though some office will be there, George H. McMorran, chairman of the state liquor commission said tonight.

McMorran said, however, that plans for setting up an office had scarcely been considered yet. They would be taken care of as soon as an administrator is named.

"The commission hopes to name the administrator for this week," McMorran stated. "When he is named, we can then look toward setting up headquarters."

"At present the commission is working without any office—in fact even without stamps or any supplies."

Location of the main office will be determined by business facility and problems of distribution of liquor supplies. McMorran intimated that the office will be in Salem or it may be elsewhere.

There appeared to be a disposition among commission members to name an administrator before deciding definitely on plans for setting up the state bottle stores.

Most of the commission's time will be spent in interviewing applicants for liquor administrator until he is named, it was indicated. Meanwhile some consideration is being given the proposal to name temporary retail bottle agents to sell hard liquor.

SUMMERVILLE MAY GET MARSHAL JOB

PORTLAND, Ore., Jan. 4. (AP)—A Washington dispatch to the Oregonian tonight said Jack Summerville of Portland will be United States marshal for Oregon, according to a statement of James A. Farley.

Farley was quoted as saying Summerville was endorsed by Congressmen C. H. Martin and Walter Pierce and was satisfactory to him.

Portland's new postmaster will be decided upon Monday at a conference between Farley and President Roosevelt, it was stated. Tomorrow night Farley will consult the president on general appointments with special reference to selecting Emerson J. Griffith, Portland, for the vacancy on the RFC. Farley was said to personally favor Griffith.

The dispatch said appointments sent by President Roosevelt to the senate today for confirmation include the following Oregon people: special deputy commissioner of internal revenue, Eldon W. King; registrar at the land office at The Dalles, William F. Jackson; collector of customs, Milton A. Miller; secretaries in the diplomatic service, James W. Gustenbein and John C. Shilleck, Jr.

LIQUOR TAX BILL PASSAGE CERTAIN

WASHINGTON, Jan. 4. (AP)—Acceptance by the house of the ways and means committee's liquor tax bill without material change was apparent in a considerable debate in which charges were made that poisonous alcoholic beverages were being sold at huge profits by racketeers in the liquor industry.

The major issue raised over the measure came on its proposed \$2 a gallon distilled spirits rate which was estimated by Chairman Doughton (D., N.C.) as capable of raising \$200,000,000 on the basis of an expected 150,000,000 gallons annual consumption.

A round of applause greeted the demand of Representative Britten (R., Ill.) that an embargo be placed against French wines because of that country's failure to pay its war debt.

Pedestrian Hit Injuries Slight

Stanley Baer, 27, of 1238 Nebraska street, escaped with no injuries other than leg bruises when he was knocked down at Capitol and D streets last night by an automobile driven by Theodore Rich, 57, of 235 D street, according to a report made at police headquarters. Roth stated he failed to see Baer, who was walking, because his lights blinded him.