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EIGHTY-THIRD YEAR

UTILITY BATTLE HAS SPOTLIGHT; ISSUE WEIGHTY

Commissioner's Powers are Battleground; Salary Cutting Watched

Highway Board and Bridge Program Also Attract Statewide Notice

By SHELDON F. SACKETT
The state highway department, with its receipt of PWA approval of the five-bridge program for the Oregon coast highway, and the public utilities department administered by Douglas C. M. Thomas, commanded dominant attention during the week at the statehouse.

The highway department interpreted the favorable word on the bridge as more than a temporary work relief program. Its engineers saw in the bridges completion of the great Roosevelt, now Oregon Coast road, which has been in the process of construction for a decade.

Mr. Thomas with his salary reduction orders for light, gas and telephone utilities, secured not only front-page attention in the state; his orders were flashed along the wires to eastern financial centers which have been jittery for months over the state of utilities in the nation.

It was confidently expected, even by Thomas, that his dictum demanding salary cuts as high as 50 per cent on utility operatives' salaries, as well as his banishment of holding company fees from 1934 utility budgets in Oregon, would be promptly challenged in the courts by the companies. Important Point Is at Issue Here

There is a vital point at issue. If the utilities commissioner under the 1933 utility enactment of the state legislature, can order budgets reduced as he sees fit, he is a "despot" of utilities in the true meaning of the word. He is now given power to set valuations and to fix rates; to fix salaries and strike out proposed operating costs in order to carry his dictatorship forward by two important steps.

It is known by Mr. Thomas as well as by the utilities that all the slashes of last week, insofar as they affected out-of-state payments, are purely gestures. For example: Mr. Thomas reduced the salary of President Pillsbury of the Pacific Telephone and Telegraph company from \$54,000 to \$21,000. Only a small fraction of this salary is assessable to the company's Oregon operations and it is on Oregon's budget that Thomas has control. His arbitrary reduction of the entire salary received by Pillsbury was only for purposes of adjudging the ratio of the cut equitable on Pillsbury's Oregon compensation and perhaps to serve as a guide to the California and Washington utilities commissioners. If they should see fit to follow the Oregon lead in salary slashing:

The utilities immediately went to court with their protest, contending Thomas not alone has no power over their out-of-state salaries but that he cannot slash their Oregon management salaries. Thomas himself is not certain that the 1933 code gives him this power and will welcome court interpretation. Politics Apparent In Thomas Order

The politics of his orders is apparent. The public presumably is against high salaries these days and especially high utility salaries although it is a question if one views the salary scales in the light of responsibility. If utility magnates in the state are over-paid. But any attempt to force by court order the continuance of these salaries puts the utilities on the defensive and Thomas on the offensive—a position he likes.

Rowena is three miles downstream from the submerged reef which tore a hole in the boat's hull and sank it. Other portions of the craft were found on the beach at Lyle.

Hopes of salvaging the Hercules were abandoned when the seething current thunderously buried the steamer from the ledge on which she grounded after sinking. All members of the crew reached shore safely in a hasty departure when the boat sank.

PROGRAM EXTENSIVE
BEND, Jan. 6. (P)—Investigation of the Benham falls reservoir site as a possible location for a 200,000 acre foot central Oregon irrigation dam will be made under a \$50,000 public works administration allotment. Robert W. Sawyer, president of the Oregon reclamation congress, said he was advised today by Senator Frederick Stelzer.

Governor Julius L. Meier joined with Oregon's congressional delegation in applying for the survey funds.

Sawyer, also chairman of the Deschutes project association, expressed confidence the investigation would result in a favorable report. The impounded water would be a supplemental supply for existing projects and also for

PRESIDENT DELIVERS HIS MESSAGE



Tendered an enthusiastic reception at the hands of congress such as few recent presidents have been accorded, President Roosevelt is shown as he addressed both houses of congress in joint assembly in the house of representatives. He was the first president since Harding to deliver his message in person. Back of the president, from the left, are Vice-President John N. Garner and Speaker of the House Henry T. Rainey; front, seated, James Roosevelt who assisted his father to the rostrum. Photo by International Illustrated News, was taken just as the president said "We have planted good seed."

The Washington Spotlight

(By the Associated Press)
Speaker Rainey left a White House conference with word that the house would keep "absolutely within" the Roosevelt budget.

Earle Baile, New York banker, resigned as special assistant to Secretary Morgenthau of the treasury.

The public works administration allotted \$58,250,000 to projects in 41 states.

Federal reserve authorities said federal reserve gold couldn't be commended by the treasury without an act of congress.

Silencing of radio stations which broadcast hard liquor advertising was forecast.

The senate agriculture committee approved a bill authorizing \$100,000,000 for farm crop loans in 1934.

Thomas Refuses To Comment on Telephone Suit

Charles M. Thomas, state utilities commissioner, Saturday refused to comment on the suit filed in the federal court in Portland yesterday to determine whether he was authority to order reductions in the salaries of officials of the Pacific Telephone and Telegraph company and eliminate other budgetary items.

"This is an action that should be tried in the courts and not in the newspapers," Thomas declared.

Oregon Briefs

HULL DESINTEGRATES
THE DALLES, Jan. 6. (P)—Apparently satisfied with the devastation it wrought, the Columbia river current deposited a considerable portion of the battered river steamer Hercules on a sand-bar in 40 feet of water at Rowena, it was reported here tonight.

Rowena is three miles downstream from the submerged reef which tore a hole in the boat's hull and sank it. Other portions of the craft were found on the beach at Lyle.

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BRIDGE FUNDS ARE GRANTED TO STATE

Deschutes Storage Studies, Gold Hill Project are Others in Oregon

WASHINGTON, Jan. 6. (P)—Confirming an announcement by Senator Stelzer (R-Ore) the public works administration allotted \$5,103,000 today as a loan and grant for construction of five highway bridges along the coast of Oregon.

Ending weeks of suspense, the public works administration assured Oregon and the entire Pacific coast of a modern seawall highway the length of the coast and gave the state funds to put 880 men to work within a month and keep them busy for a year and a half to two years.

Listed in the three dockets, the funds were allocated as follows: \$711,000 for the structure across Alsea bay; \$4,384,000 for the spans across Coos Bay, north of Marshfield, and Yaquina Bay, in Lincoln county, west of Toledo; \$1,008,000 for two low level bridges over the Siuslaw and Umpqua rivers.

Specifications for the Alsea bridge call for a reinforced concrete span to replace existing ferry service. In each case the FWA gave 30 per cent of the cost of labor and material as a grant from the federal government, the remainder being loans secured by a 4 per cent general obligation bond.

Announcement of these allotments has been expected by members of the Oregon congressional delegation.

STEAMER IS TOTAL LOSS
Storage Study Allowed
Knox Lay Held Violated
Adequate Locks, Demand

watering of north unit lands in the Madras country.

The news from Washington today was considered the most encouraging word from federal sources since the move to construct a huge reservoir at Benham falls was started about 20 years ago.

FIRST CASE IS FILED
BEND, Jan. 6. (P)—Gordon Morrison of Spokane, Wash., the first person to be prosecuted under Oregon's new liquor law, was fined \$150 when he pleaded guilty to illegal transportation of liquor, in circuit court here today.

He was arrested near Bend on The Dalles-California highway with 125 gallons of alcohol in his car, police said. Under the state law the Oregon liquor control commission has a monopoly on hard liquor imports, except for small quantities for personal use.

FARLEY IMPOUNDING
PORTLAND, Jan. 6. (P)—Adequate shiplocks for the projected Bonneville dam in the Columbia river were urged today by Oregon's county democratic executives to preclude a "monument of inability to the democratic party."

Their communication was addressed to James A. Farley, asking him to go directly to President Roosevelt and warn him that his visions and purposes for the great Columbia river "are not in this instance taking concrete form."

HUGE PROGRAM FACED; BRIDGE FUND GRANTED

Means Eight Millions to Be Spent on Highways in Oregon, Declared

Allocation for Coast Spans Greeted Jubilantly in Department Here

The state of Oregon will partake in its largest highway and bridge construction year in its history in the next 12 months, R. H. Baldock, state highway engineer, announced yesterday following advice from Washington, D. C., that five bridges for the Oregon Coast highway have been allocated by the public works administration.

Baldock estimated that \$8,000,000 would be spent directly on construction. In addition hundreds of thousands of dollars will be expended for road maintenance.

Of the \$9,000,000, Baldock estimated \$5,500,000 would go for roads with the bulk of the money coming from the \$6,000,000 allocated the state by PWA last summer. Of this amount only \$1,000,000 has actually been spent. Fully half of the proposed road work is now under contract with the state.

On Christmas night, 1926, Underhill killed George Fee, an Okmulgee youth, in a drug store holdup there.

The following February in Picher, he shot and killed Earl (Turn to page 10, col. 4)

Elderly Man Killed When Car Strikes

Dave Trester, elderly house mover who lived at 1890 McCoy avenue, Salem, was struck and killed instantly by a roadster driven by F. J. Poppe, 352 North 21st street, on the Pacific highway 150 yards south of the Jenie Lind tavern, north of here, at 11:30 o'clock last night.

State police who checked on the accident said Poppe was released on his own recognizance pending more thorough investigation. Skid tracks, they said, indicated Poppe had stopped 72 feet from the point where he applied the brakes.

Poppe told state police and Sheriff A. C. Burk that Trester was walking southward on the right edge of the pavement and jumped toward the roadster, also southbound, as Poppe swerved away in an attempt to avert striking him.

Trester was at first only tentatively identified by circuit court papers on his person and by Sheriff Burk, who believed he recognized him. Early today, however, authorities were certain of the identity.

Poppe had been in Eckler's beer garden just before the accident, the sheriff said he was informed.

As far as authorities could learn, Trester is survived only by a sister, Mrs. Dan Bright, 695 North Capitol street.

KLUTAS, GANGSTER LEADER, IS KILLED

CHICAGO, Jan. 6. (P)—Walter Detrick, escaped convict and one of the notorious John Dillinger gang of outlaws, was identified tonight as one of the seven persons arrested at the hideout where Theodore "Handsome Jack" Klutas, kidnap, was slain by police.

Klutas recently was named by Pat Roche, private investigator and former chief investigator of the state's attorney's office, as leader of the so-called "Collegiate band" of extortionists.

Underhill Serves Out Life Sentence; Wounds Bring Death in Prison

Taken Back to Oklahoma Penitentiary Shortly Before He Succumbs; "Tri-State Terror" Has Long Record of Killings

McALESTER, Okla., Jan. 6. (AP)—Lanky, lantern-jawed Wilbur Underhill, one of the most-feared killers among the southwest's desperadoes, died in the state prison here late tonight of bullet wound suffered in a gunfight with officers which preceded his capture in Shawnee, Okla., a week ago.

He was transferred only today from a Shawnee hospital to the prison, officials fearing that his friends would attempt to free him.

Hit by 13 bullets, Underhill clung to life until perforated set in. His stamina amazed physicians.

Underhill was known as the "tri-state terror" for his wanton depredations in Missouri, Kansas and Oklahoma.

Robbery was his forte and he didn't hesitate to shoot a victim who failed to raise his hands quickly enough.

On Christmas night, 1926, Underhill killed George Fee, an Okmulgee youth, in a drug store holdup there.

The following February in Picher, he shot and killed Earl (Turn to page 10, col. 4)

CONTROL OF MILK SUPPLY PROPOSED

Buttermilk and Skim Milk Minimums are Set by Board for State

PORTLAND, Jan. 6. (P)—Minimum prices for skim milk and buttermilk were set by the Oregon milk control board tonight for Multnomah county following earlier minimums announced for whole milk and cream.

Production control will next be considered, the board announced. The board said it would "limit the herds of producers to the number they now own, and will admit milk from new producers only as conditions demand additional milk. There is no great demand for additional milk now. We wish to forestall any big rush into the market milk industry."

The board announced temporary minimum prices for the Medford district in southern Oregon late tonight.

INDEPENDENCE, Jan. 6. (Special)—Mrs. Sarah Caroline Irvine, pioneer, who spent much of her life in and near Salem, died at the residence of her son C. G. Irvine here today. She was 84 years old, having been born in Iowa, February 5, 1849. Sarah Caroline Irvine came to Oregon when three years old with her parents, traveling by ox-team.

On January 12, 1870, she married Joseph Irvine, who came across the country the same year, though not in the same train, as the Fisher family. To this union were born four sons, two of whom survived their mother.

She was a member of the Methodist Episcopal church, Order of Eastern Star and Rebekah lodge. Her death resulted from injuries received December 3, 1933, when she was struck by an automobile.

Surviving Mrs. Irvine are two sons, C. G. and C. W. Irvine of Independence. Four grandchildren, Robert and William Irvine, Mrs. Loren Mort and Jean Ellen Irvine all of Independence; three sisters, Mrs. Emma Vibbert and Mrs. Mary Wyatt of Salem, Mrs. Elma Ramp of Brooks.

Services will be held from the Keeney funeral home here, Monday, January 8, at 2 p. m. with Rev. E. J. Aschenbrenner officiating. Interment will be in the I. O. O. F. cemetery.

SAMMIS TO HEAD CONTROL

Liquor Administrator Task Handed to Portland Man; Will Outline Plans for State Retail Stores

Establishment of Office in Salem Hinted, Contrary to Previous Word; Workers Selected by Board

PORTLAND, Jan. 6. (P)—George L. Sammis, administrator for the state liquor control commission, will tentatively outline a system of state retail bottle houses and then call the commission to discuss the plans with them, Chairman George H. McMorran said here tonight.

The commission culminated a week of conferences here tonight by naming Sammis liquor administrator and announcing the following administrative heads:

Aaron Holtz of Portland, organizer; Arch J. Tourtelotte of Portland, accounting system manager, and George Neuner of Portland, formally confirmed as liquor control commission attorney.

The proposition to have retailers act as temporary agents until state liquor stores could be placed in operation was still under consideration, McMorran told the Associated Press.

He said the commissioners would discontinue their meetings until called together by Sammis, probably late next week.

State Office to be Where Law Prescribes
Commission members indicated they would be content to establish the main liquor office wherever the law prescribed. However, for a matter of convenience, it was indicated the commission might continue to meet in Portland, more centrally located for the members.

Oregon's first liquor administrator has been engaged in business here for several years as vice-president and manager of the Sunset Electric company.

He comes into this activity (administration) highly recommended by many of the leading business interests in the community," said McMorran. He has lived in Portland 14 years, is an overseas veteran and was born in Iowa.

Mr. Holtz is a recent department store executive. Chairman McMorran explained that Holtz' services "were secured by the state through the co-operation of Kenneth Dawson of the States Steamship company, who is absorbing a part of the expense that the state might have the benefit of Mr. Holtz' large business and organizational background."

Tourtelotte is a Portland accountant with offices in the Public Service building.

George Neuner was back before the commission today, smiling despite bandages from injuries in a recent automobile accident. Neuner is well-known in Oregon political circles. He has served as a state legislator, Douglas county prosecutor and later United States district attorney for Oregon.

Possibility that registration in several of the CWS classes opening tomorrow night at 7 o'clock at Salem high school would be so large as to force closing them to later applicants was pointed out last night by T. T. Mackenzie, vocational education head who has charge of organization of the adult school to provide work for unemployed teachers and further schooling for interested adults.

Five per cent of the funds allotted may be used for supplies of a non-permanent nature, Mackenzie stated yesterday. An attempt is being made to avoid duplication of other courses offered to adults through the continuation school or educational organizations.

The courses to be offered Monday night at 7 o'clock include shorthand, business English, commercial art, blueprint reading and mathematics, business arithmetic, public speaking.

SEWAGE DISPOSAL PLANS FURTHERED

Hockley Gives Approval to \$260,000 Loan, \$100,000 Grant for Job Here

A third milepost was passed by Salem yesterday in its effort to obtain a sewage disposal plant for this project. Subsequent estimated reduced the figure to \$360,000, of which the federal government would allot \$260,000 as a loan and \$100,000 as a grant not to be repaid.

The city already has the site for the proposed plant, a 16 acre tract on the river road half a mile north of the city limits, acquired about two years ago.

A letter acknowledging receipt at Washington, D. C., of latest data sent from Salem regarding the city's application for a \$260,000 PWA loan for purchase of the water plant here has just been received by City Attorney Kowitz.

The communication indicates that application and the previous one for \$1,500,000 for building a mountain water system will have new consideration together.

MEN CHARGED WITH DENVER CRIME HELD

C. H. Ermete, who according to advices received yesterday by Sheriff A. C. Burk, is wanted by Denver, Colo., authorities on a charge of larceny by bailie, was arrested here yesterday by state and city police and held pending receipt of a telegraphic warrant and details of the case. Elsie Case, who was brought here from Medford yesterday to face a charge of uttering forged instruments, and claims to be Ermete's wife, is wanted at Denver on the same charge as Ermete, police said.

Unable to post \$500 bail each after pleading not guilty to had check charges in justice court yesterday, Mrs. C. H. Ermete alias Elsie Case, H. W. Riegler and Mrs. Robert P. Hunt were returned to county jail. Later state police received two more checks the trio is alleged to have forged. Five of these checks are now held by officers, two from a Pendleton bank, one from Sultan, Wash., and one from Independence.

Indications last night were that attorneys for the City of Salem would be ready Monday to file the complaint in circuit court instituting condemnation proceedings against the properties of the Oregon-Washington Water Service company here. City Attorney Chris J. Kowitz announced. The city council last Tuesday night passed the ordinance declaring the properties to be condemned and authorizing the proceedings.

Water Suit May Be Filed Monday

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Farmers Union Votes its Opposition to Sales Tax

BETHEL, Jan. 6.—(Special)—Against the sales tax and for the referendum was the sentiment of the Marion county Farmers Union convention held at Mt. Angel today. A resolution expressing approval of the stand taken by the state executive board of the organization against the sales tax was adopted.

The morning session was occupied with reports from the locals and the president's annual address. Miss Eustelle Bauman and Miss Clara Keber sang a group of duets accompanied by Miss Ursis Keber.

The women of Mt. Angel local served lunch during the noon intermission. A the opening of the