

BONUS EFFORT
DECIRED AGAIN
BY ROOSEVELTLarge Amount Necessary is
Cited With Denial That
It Would Aid NationEarly Vote Desired So as
to Clear Decks for
Other Questions

WASHINGTON, Dec. 31.—(AP)—On the eve of the convening of congress, President Roosevelt today again opposed immediate payment of the bonus and drew from war veterans a challenge for a finish fight.

In a letter to a Texas American Legionnaire, Mr. Roosevelt cited the huge outlays of cash that would be necessary and denied that the release of more than \$2,000,000,000 to former soldiers now would speed recovery.

The Veterans of Foreign Wars, through their national commander, James E. Van Zandt, retorted that the president's statement would be a "keen disappointment" to veterans and asserted:

"While we respect the views of President Roosevelt on this and any other matters of policy, we believe that congress will be the final arbiter of this issue."

Claim Enough Votes
To Override Veto

Veterans' leaders contended privately that more than enough votes were pledged in the senate and house to pass a bonus bill and override a presidential veto.

On Capitol hill congressional chiefs urged an early voting on the question to clear the legislative pathways for less controversial issues. At the same time new reports were heard that the administration would propose a compromise.

Those who have assayed the strength of administration and pro-bonus forces predicted the bonus vote would be extremely close.

Roosevelt's views were expressed in a letter to Commander Garland R. Farmer of the American Legion post in Henderson, Texas. Saying it was "quite apparent" there was a "general misunderstanding" in regard to the government's obligation, the president contended payment under the law was not due until 1945, that it would cost \$1,620,000,000 above the present certificate value of \$1,200,000,000 and \$2,800,000,000 more than the original basis, adjustment of \$1,400,000,000.

"I am sure," Mr. Roosevelt said, "that many of the veterans have not given the question sufficient study to realize the vast sums required to meet the demands suggested."

TAX COMMISSION IS
WINNER ON APPEAL

The state supreme court yesterday affirmed Judge Louis F. Hewitt of the Multnomah county circuit court in a suit brought by the General Construction company to recover corporate excise taxes of approximately \$83,120.28 previously paid to the state tax commission covering its operations for the four years ending late in 1932. The lower court held for the tax commission.

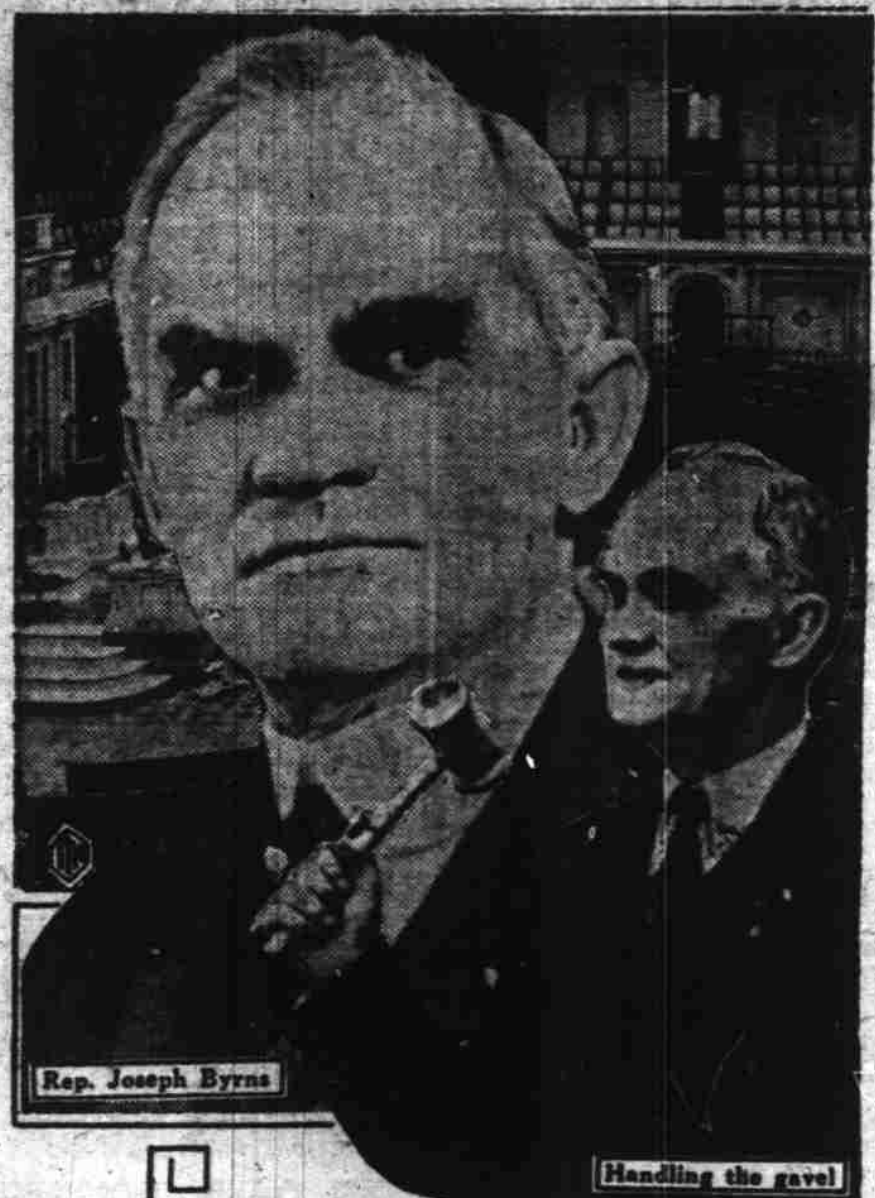
The construction company alleged that it was not subject to payment of the tax for the reason that it operated through a contract with the federal government in connection with construction of the Overhead Canal and Irrigation works. The complaint stated that the tax was paid under protest.

Justice Campbell, in writing the opinion, said: "The weight of authority would indicate that a corporation contracting with the United States or the state as an independent contractor for gain, cannot claim immunity from taxation by reason of its furnishing labor and services either to the United States or to the state unless some statute specifically exempts such contractor from taxation in regard to the particular contract involved."

Two of Arbiters
On Truck Wages
To Be Selected

Two of the three arbiters whom will decide what are fair wages for Salem truck drivers and helpers will be named Wednesday. Drivers and helpers local union No. 324 will make its choice at a meeting Wednesday night and the truck operators involved in last week's strike also will select their representative the same day, leaders of both factions reported last night.

The third arbiter, with the first two, who will name him, will meet at the chamber of commerce Thursday morning and conduct a hearing on the wage subject, according to present plans.

Expected to Rule House as New
Session Opens; Veteran MemberRep. Joseph Byrns
Handling the gavelBAPTIST PROGRAM
DRAWS BIG CROWDDr. Albert Johnson Points
to Essential Need in
Churches Today

A packed auditorium Sunday night greeted the fourth and last of the gatherings arranged in honor of the 75th anniversary of the First Baptist church here. Dr. Albert G. Johnson of Hinson Memorial church, Portland, and recently of Detroit, gave the three Sunday addresses.

Holding that the essential need in the church is the presence of Christ, Dr. Johnson in his morning sermon ridiculed the so-called aesthetic worship which "dismisses" the night services in favor of the vesper and tea hour with a sermonette — mostly ette — and finds the people at church time home playing cards or in the theatre.

He briefed his three-fold conception of the church to include: First, the local place of worship; second, the vehicle of the Holy Ghost, and third, the base of missionary activity. Any successful church will stir up a legitimate gossip in the community — such (Turn to Page 2, Col. 1)

Paul Revere to
Get Honor; Born
200 Years Ago

BOSTON, Dec. 31.—(AP)—The famous bells of old North church, silent on that fateful night of April 19, 1775 when a single lantern swinging high above them, sent Paul Revere on his celebrated ride, will peal again tomorrow — the 200th anniversary of the patriot's birth.

Cast in Gloucester, England, in 1744 and brought to this country the next year, the eight bells which compose the set sounded the news of the Boston tea party, heralded Cornwallis' fall and more recently shouted the tidings that a world war had ended.

The belfry of the church, recently threatened by the depopulation of time, is being preserved by the city, and a new bell from William Randolph Hearst, the publisher.

Flood Control Plan O. K.
Completion is Only Needed

The Salem flood control project functioned Saturday exactly as it was designed to, as far as the design was concerned, R. D. Cooper, construction superintendent employed by the city and the county, declared yesterday.

"I spent most of my time Saturday and Sunday studying the water to see if any change in the design was needed," he said yesterday. "Our original plan was correct. All that we need now is to finish it."

The high water in southeast Salem in the Lee street vicinity was due, Cooper asserted, to the fact that the widening and deepening of Shelton ditch had not been completed.

"The water was blocked by the narrow section of the ditch between 25th and 21st streets," he explained. "There it was forced over the banks; hence the flooding of streets and lawns."

WOULD SPEED N. W.
GRAIN TO MIDWESTLowered Freight Rate for
This Purpose is Sought
by Senator SteiwerBy H. C. HUNTER
WASHINGTON, Dec. 31.—(AP)—Efforts to obtain lowered freight rates on Pacific northwest wheat in order to stimulate movement of the grain into the drought area are being made by the farm administration.

Senator Steiwer (R.-Ore.) was informed in a letter from A. H. Benton, acting chief of the grain section of the AAA, that the department is "attempting to set up a flow of wheat from the Pacific coast to drought areas."

"Application has been made to the carriers for a reduced emergency eastbound rate on Pacific coast wheat, and if this request is granted we propose immediately to arrange with the trade to distribute only for feed purposes a substantial portion of the surplus remaining in the Pacific (Turn to Page 2, Col. 3)

NO HOLIDAY TODAY
FOR RELIEF STAFF

There are so many families in Marion county needing relief assistance that the county relief organization's case workers must work today in spite of the holiday in order not to be snowed under with calls, Mrs. Helen Lamb, director of case workers and direct relief, reported yesterday.

"If our girls took one day off they'd never get caught up on their calls, they have so many ahead of them," she said.

The case workers interview families asking for relief funds and supplies and ascertain what each needs to subsist.

Other relief workers today will be busy moving supplies, records and equipment from the 248 1/2 North Commercial street location, where county relief has been administered since 1932, to the new location, the Chambers building, 357 North High street.

This week spot in the project will be eliminated as soon as the city's two gasoline shovels are through with channel work on Mill creek outside the city limits. City Engineer Hugh Rogers said. Just when this will be will depend largely on high water and rain conditions in the next few days. The city's shovels were badly needed on the outside work because the county's big shovel broke down and has not yet been repaired.

Rogers, Cooper and County Engineer Hedges Swart yesterday declared that flood conditions would have been much more serious and widespread if the project had not been carried to its present stage before Saturday's deluge came.

Flood conditions disappeared late Sunday and yesterday as cool weather and lack of rain halted the rise in Mill creek and the flooding of streets and lawns. (Turn to Page 2, Col. 1)

FOUR RESCUED
JUST IN TIME;
COLD, HUNGRYWithout Food for Two Days
and Fire Almost Out
When Aid ComesCourage of Refugees Wins
Praise From Leader of
Party Finding ThemBy LATHROP MACK
MOREHOUSEVILLE, N. Y., Dec. 31.—(AP)—Four despairing men, catapulted from the skies last Friday when their plane crashed in a night storm, were snatched from approaching death in a mountainous wilderness today.

Half frozen in the 30 degrees below zero weather, without food for two days, their meager fire almost out, and all suffering from injuries received in the crash, the crew and passengers of the American Airlines plane were brought back to civilization by woodsmen who fought nature at its worst to save them.

Eight natives of this rough country in northern New York's Adirondack state park left their homes in Hoffmeister yesterday even before a fleet of searching planes had located the wreck on the side of Wilden mountain.

Ploughing through waist-deep snow on snowshoes, they found the victims, hope almost abandoned, about 10 p. m. "We saw four figures huddled around a fire," said Lester Ferrelle, leader of the Hoffmeister heroes whom the survivors later credited with saving their lives.

"The fire was almost enough for an insect smudge. It was the fire of life the men had kept burning. They were shaking violently from cold and exhaustion. They were almost too weak to walk, and didn't think they could last it two hours longer. We built up the fire and gave the men swallows of liquor and wine. I want to tell you those men had courage."

Ernest Dryer, pilot of the big Curtiss-Condor plane, came back on a toboggan, his ribs broken, his feet and hands frozen. His (Turn to Page 2, Col. 1)

CONTRACT IS GIVEN
TO STREETCAR FIRM

PORTLAND, Ore., Dec. 31.—(AP)—The Oregon State highway commission during its meeting here today agreed to a two-year contract with the Portland Traction company, providing for a continuance of the company's present plan of operating streetcar service between Portland and Vancouver, Wash.

Street cars operated by the company pass over the interstate bridge, linking Oregon and Washington, at a toll rate of 12 1/2 cents a car and the maintenance of tracks and overhead gear.

It was agreed also that the company had the privilege of substituting bus transportation for the street car service between Portland and Vancouver, on due notice, whenever the long approach to the Oregon side of the interstate bridge deteriorates to such an extent that it cannot be maintained without undue cost.

The Portland General Electric company, represented by Henry P. Wakeman, was not so fortunate, however, when it protested the provision of double-crossarm construction on poles which carry high voltage wires across highways.

Stores Close to
Observe Holiday

Official and retail business will be at a standstill here today as the new year begins. City, county and state offices will all be closed as will downtown commercial establishments. Merchants yesterday were completing post-holiday inventories and a number were arranging special merchandise events for the beginning of the new trading season. All members of the state board of control were out of the city, expecting to celebrate the new year at their respective homes.

Late Sports

PULLMAN, Wash., Dec. 31.—(AP)—Washington State college defeated Whitman 39 to 30 on the basketball floor here tonight in a game that was a battle throughout.

Whitman led until nearly the end of the half, when Bob Houston sank a long one to put the Cougars ahead 14 to 13.

Washington State continued the advance in the second half until some subs went in, when Miller made seven points in succession for Whitman. With the Cougar regulars back in the play, W. S. C. came back to win.

Noisier, Gayer Celebration
Greet's Arrival of New YearTHOUSANDS AT
LATE SPOTS IN
BIGGEST CITIESHalf Million Blow Horns in
Gotham; Honolulu Last
and Manila FirstSnow Falls in Chicago as
Crows Make Merry at
Infant 1935 Birth(By The Associated Press)
As 1935 sped across the nation today America greeted the New Year with roiling salutes.

In Times Square in New York, in Chicago's Loop, in Market street, San Francisco — crowds made more noise and spent more money than on any New Year's since 1929.

Almost a half million persons blew horns and shouted as the red electric ball of the old year dropped at midnight in times Square, New York. Five and one-half hours later, the hands played "Aloha" in Honolulu and New Year's for America and its territories and possessions was over. Thirteen hours before the last minutes of the old year were flying (Turn to Page 2, Col. 4)

NO CLUE FOUND TO
HIT-RUN OFFENDERMark Ellis, Victim, is Much
Injured but Not Deemed
in Serious Condition

Thirty hours had passed early today without the discovery of a single clue as to the identity of the motorist who ran over Sunday struck down Mark Ellis, 70, of 445 Marion street, and left him lying in the street, seriously injured, city police reported. Ellis, lying in Salem Deaconess hospital suffering from a mangled, fractured right arm, a head injury and numerous body bruises, was showing improvement (Turn to Page 2, Col. 4)

BUS COMPANY IS
GIVEN INJUNCTION

PORTLAND, Ore., Dec. 31.—(AP)—Buses operated by the National Bus Lines, Inc., will be allowed to travel over the eight miles of highway between Portland and the Oregon-Washington state line during their run between Los Angeles and Seattle, it was shown in a court order issued here today by Federal Judge Fee.

Judge Fee issued an order restraining Oregon Public Utilities Commissioner Thomas from interfering with the buses' travel over the disputed section until he can show cause why a preliminary injunction should not be given. A hearing on the matter will be held January 7.

The bus company's original application for a permit on August 23, 1934, was granted by Thomas. The company later asked for a temporary reduction of route, eliminating the eight miles in controversy. An application by the company for reinstatement of the permit on December 26 was reversed, which occasioned the ruling by Judge Fee today.

Anti-Jew Riots
In Russia Net
Many Injuries

LONDON, Jan. 1.—(AP)—A dispatch from Warsaw to the Express said today an undetermined number are in hospitals in Leningrad as a result of anti-Jewish riots in the two cities. The disorders started, the dispatch said, as workers in the factories attacked Jewish employees, and were stopped with difficulty by the police.

Eleventh Traffic
Fatality Listed

PORTLAND, Ore., Dec. 31.—(AP)—This city's eleventh traffic fatality since December 1 has been reported today with the death of Dr. Frank E. Smith.

Smith died of injuries received when thrown from his machine as it skidded on slippery pavement here.

Even Pike's Peak Lit
As New Year Heralded
At Summit by AdAmenClub Members Pull Pyrotechnics; Rockies are
Illuminated for 100 Miles; Ascent is
Made by Party of 19, MuleBy ROBERT E. GEIGER
COLORADO SPRINGS, Jan. 1.—(AP)—A sunset at midnight was projected on the arctic summit of Pikes Peak, reaching skyward almost three miles, as AdAmen club members attained the top tonight for their annual greeting to the new year.

A pyrotechnic display that illuminated Colorado's Rockies with a flaming hue visible 100 miles, was the climax of the 13th ascent of the peak by the climbers.

Beginning with an early evening flare to assure those belatedly pointed to safety and a half of fireworks into the air.

The sparkling welcome to 1935 was the end of a 12-mile trek up the peak, laden almost every step of the way with drifts of frozen snowflakes.

Nineteen men and the hardy pack mule, Rocky, were in the main group, but five of the men remained at the Fremont experiment station to take photographs.

At 7 p. m. two 100,000 candle power flares were discharged to signalize the safe arrival. The brilliant blasts were in response to a pair of similar flares set off on the top of Austin bluff at the eastern edge of Colorado springs.

1935 LICENSES TO
BE NEEDED TODAYConditional Arrests Will Be
Made; Big Rush on at
Capitol Monday

Enforcement of the law providing that all motor vehicles on the state highways shall be equipped with current license plates on January 1, will begin early today, Charles P. Pray, superintendent of state police, has announced.

Pray said he had issued a bulletin instructing his operatives to issue conditional arrest slips to all persons who have failed to comply with the laws. Issuance of 1935 plates started December 15. All regular employees of the state motor vehicle department, augmented by 60 extra clerks, were on their toes Monday taking (Turn to Page 2, Col. 6)

RITES TODAY FOR
ACCIDENT VICTIM

SILVERTON, Dec. 31.—(Special)—Funeral for Manfred Shultz, 42, of Scotts Mills, who was killed at Toledo Sunday afternoon, will be held Tuesday at 2 o'clock from the Ekman chapel here, with Rev. Macy of Scotts Mills in charge. Interment will be in the I.O.O.F. cemetery at Scotts Mills.

Shultz, while acting as brakeman on a logging train, was struck and killed instantly by a log which rolled off a car.

He is survived by a son, Donald Shultz, of Scotts Mills; a daughter, Mrs. Edith Zetzelberg of Toledo; his parents, Mr. and Mrs. James Shultz of Scotts Mills; a sister, Mrs. William Herbigstad of Silverton; brothers, Robert of Nevada City, Calif.; Everett of Glendale, and Ralph of Scotts Mills.

Water Firm Won't Accept
Canceling of Arbitration

Another knot was added to the city's onerous water problems yesterday in form of a communication from E. C. Elliott, president of the Oregon-Washington Water Service company, to the mayor and council, in which Elliott states his company refuses to accept the city's resolution of December 17 against continuing arbitration proceedings.

Elliott charges that the real reason the city has resolved to throw up arbitration is "that the city anticipated that the award of the arbitrators would be higher than the amount the city wanted to pay."

The communication from Elliott, dated December 28, maintains that the city was bound to continue arbitration until it could show that arbitration was not proceeding expeditiously, and that the facts show that arbitration was progressing as expeditiously as possible.

OUTBURST HERE
IS VOCIFEROUS;
BIG CROWD OUTMore People on Streets at
Midnight Than for
Several YearsGeneral Good Feeling With
No Notable Disorder
Prevails in City

The noisiest, busiest and most hopeful new year of recent years rang in here at midnight last night to the accompaniment of hilarious shouts, horn tooting and bell rope pulling as hundreds of home and downtown party groups, thousands of dance and theatre patrons watched Old 1934 limp away and New 1935 toddle in.

The volume of the blended noises, the number of private gatherings and the crowds at public amusement places were declared by many observers to be the greatest known here since the lean years began.

Everywhere the wish expressed for the new year was with more sincerity than ever; one for a prosperous 1935.

While the celebrating crowds were huge, their conduct was generally exemplary, police stated. Aside from the arrest of four alleged drunks, one motorist held to be intoxicated, and report of a street fight, police had little unruly celebrating to tell of.

From the young hours of Monday evening until the early clock tolls of this morning merry-makers thronged the streets. Here and there was an individual doing a drunken sailor act but for the most part the frolicking was not such as to disturb what little peace a New Year's eve is supposed to retain.

Gals men and their ladies stepped to lively music at two private dance affairs downtown, the Wisteria Dancing club masquerade at Castilian hall and the Tillamums' dinner dance at the Marion hotel.

New Year's eve celebrations ended up behind city jail bars last night for five men, police (Turn to Page 2, Col. 6)

BLOWUP AT CANAL
LOCKS IS FEARED

COLON, Panama, Dec. 31.—(AP)—Precautions described by old residents as unprecedented in the history of the Panama canal were taken here today to guard against threats to blow up Gatun locks spread through the area.

The canal authorities were quick to deny the receipt of a reported anonymous note to H. M. Thomas, assistant superintendent at Gatun.

It was reported the strict precautions would be taken for a four-month period. No outsider was permitted to enter the lock area. Three sentries and a canal zone policeman were stationed at the Gates, which were opened and closed only for identified lock workers.

The fourteenth infantry company was encamped on the wall of the lock.

The same precautions were taken each night when the fleet made its eastbound transit.

Someone to Get
Excellent Meal

PORTLAND, Ore., Dec. 31.—(AP)—Someone should have a very excellent New Year's day dinner in the opinion of Portland police.

They reported the theft of seven turkeys, seven geese, two sucking pigs, six hams and six bacon sides from a meat market here.

Dark Cake Recipes
Asked This Week by
Round Table Editor

The Recipe Round Table is asking for dark cake recipes this week. Chocolate, Devil's food and all sorts of spice cakes with the exception of fruit cake are included in the topic.

Recipes must be in the hands of the food editor at The Statesman office by Thursday noon. Three cash prizes will be awarded Friday morning.

Another recipe edition is being prepared and will be published in the near future. Watch for it.