

CIRCULATION  
Average Daily and Sunday  
for February, 1935  
Distribution 7981  
Net Paid 7562  
MEMBER A. B. C.

# The Oregon Statesman

FOUNDED 1851

THE WEATHER  
Cloudy with occasional  
rains today and Monday,  
moderate; Max. Temp. Sat-  
urday 55, Min. 36, river 4  
feet, rain .03 inch, south  
wind.

EIGHTY-FOURTH YEAR Salem, Oregon, Sunday Morning, March 17, 1935 No. 305

## MILLION MORE DEBIT FACED FOR BIENNIUM

But Is Occasioned Wholly by Relief Program; May Be Avoided

If Federal Matching is Not Forthcoming in Pension Setup, State Saves

By SHELDON F. SACKETT  
Old Man Oregon was scratching his head yesterday and using his stub lead pencil to see how the very late and not lamented 38th legislative assembly had left him on those always touchy subjects of taxes, expenses and deficits.

Here are the conclusions to be reached by the old fellow who pays the bills, no matter what the session may have done:

1. Total appropriations, including \$6,000,000 for relief and the millage taxes for higher education and the world war veterans' commission, ran to \$17,787,599.

2. A fairly optimistic although not improbable estimate of state income to be applied against that outlay in 1935 and 1936, is \$16,718,369.

3. The resulting addition to the state deficit will be \$1,069,230; this sum added to the \$1,304,290 deficit December 31, 1934, will give the state a total red ink balance of \$2,373,520 at the close of the biennium.

4. While no new taxes aside from ones on beer and wines were approved by the legislature, the full amount of real property tax permitted by law must be levied by the state in 1935; this sum will be \$3,308,373 in contrast to \$2,667,995 levied for 1935, a gain of \$640,000.

**Less Distressing**  
On Closer Scrutiny  
That is the picture, without any frills or explanations, it looks less distressing with qualifying statements.

First, the total allowable expenditures includes \$1,000,000 for old-age pensions. This money has been appropriated from the general fund but several strings are tied to the outlay.

It must be matched by the counties, which will be done; the counties are already expending some \$700,000 a year for pensions. Next the aggregate sum raised by the state in 1935, a like amount from the counties, must be met by the federal government. Uncle Sam's "social security" program is not law. When that friendly uncle, who has been handing great chunks of money to the states without stint, does not consider it in the least necessary to match dollars with the 48 states. In that event the \$1,000,000 set aside by Oregon will be blocked and the \$1,000,000 can revert to unexpended balances in the secretary of state's office.

Another ray of hope is this: Included in the estimate of income is \$2,250,000 which the state liquor commission estimates will be its net income from March 1, 1935, to December 31, 1935. This figure is very conservative in view of the commission's earnings the last six months of 1934. These earnings plus the higher tax on beer might readily net the commission \$2,750,000 for the next 22 months. In such an event an additional \$500,000 would be clipped from the estimated deficit.

**Martin May Chop Off More Expenditures**  
Governor Martin has shown his willingness to do his bit in clipping the outlays made by the legislature; he has already chopped off \$45,000 by his veto of the Jefferson and Tillamook county tax refunds. This is a small item in the \$17,787,599 in outlays provided for but it points the drift of the wind. The governor may be able to clip off several hundred thousand dollars more by an economical administration of allowed appropriations for 1935 and 1936. These savings, of course, would be available as additional income to balance the budget.

Another cheering thought for Old Man Oregon as he contemplates the next two years and the state of his exchequer is this: The deficit for 1935-1936 is an "extraordinary" not an "ordinary" deficit; the normal expenses of the state will be fully covered by moneys coming to the general fund. The sag will show in the excess expenditure of \$4,000,000 in relief funds over the projected income of \$2,250,000 from liquor revenues. This overdraft will not be on the general fund of the state; it will come from the use of the state's credit in the sale of anticipation certificates against future income from liquor. Instead of the state's being requested to issue interest bearing, general fund warrants as it was when the Meier deficit climbed to \$4,500,000, its excess expenditures over income will be covered with a few cheery printed slips of obligation on state liquor income, issued in denominations of not less than \$50,000 and bearing interest at two per cent a year.

If fate should decree at the end (Turn to Page 2, Col. 5)

## Labor Troubles Grow; Five Industries Face Strike; Some Disorder

Women Cigar Workers Hurl Bricks at Police; No One Badly Hurt; Union Officers Jailed for Refusal to Call Off Walkout

(By the Associated Press)  
LABOR troubles splashed the nation's industrial map Saturday. Anthracite, electric service, shipping, fire-arms and cigars were among the commodities affected.

Striking women employes of a San Antonio cigar factory clashed with police and eleven were arrested. Bricks were hurled but there were no serious casualties.

Because they refused to call off a strike at the Glen Alden Coal company's operations, 29 officers of the United Anthracite miners of Pennsylvania were jailed for contempt of court.

New York prepared to meet a threatened strike of utility employes with Mayor Laguardia promising that the city will not be plunged into darkness if the walkout occurs.

The Pacific coast blockade of oil tanker sailors seeking preferential recognition extended from San Diego, Cal., to Ketchikan, Alaska, with more than a score of vessels tied up. A federal conciliator was endeavoring to untangle the situation.

An orderly strike of 1000 employes of the Colt's patent firearms manufacturing company continued at Hartford, Conn., while granite workers in the Barre, Vt., territory decided on a 14 month truce with employers.

The national labor relations board in Washington pondered the case of the Gary, Ind., screw and bolt company which, the board said, has refused to file a certified payroll list or act on a request to hold an election.

In the soft coal field a committee of operators and united mine workers prepared to meet in Washington Monday to draft new wage and hour contracts for the vast Appalachian territory.

## NEW FARMERS TO RECEIVE WELCOME

Arrivals From Midwest are Many Says Riches; to Be Chamber Guests

New farmers in the Willamette valley who have come here from the middle west the past few months will be special guests of the Salem chamber of commerce and of Harry T. Riches, county agent, at two meetings planned to welcome the newcomers here and out of these interviews grew Mr. Riches' plan for a gathering for all new farm families in the valley.

The first of the meetings is to be held next Thursday afternoon at 1:30 p.m. at the chamber of commerce rooms here.

For the first program members of the extension staff of the Oregon State college will be present and will discuss the following subjects: "Spring Crops," D. D. Hill; "Spring Gardens," A. G. B. Boquet; "Willamette Valley Soils," Arthur King.

Mr. Riches said yesterday he was certain at least 100 farm families from the midwest had settled near Salem within the last few months. Many of them have applied to the county agent for help in their farm problems and out of these interviews grew Mr. Riches' plan for a gathering for all new farm families in the valley.

Three prizes have been arranged for the meeting to add interest to the gathering, the prizes being donated by local merchants. The greatest distance to Marion county will be awarded a 49-pound sack of flour.

The woman having the largest family will be awarded a 32-piece breakfast set.

The man who has been farming for the longest time will be given a hand saw.

## HOPKINS TO DIRECT OHIO RELIEF SETUP

WASHINGTON, March 16.—(AP)—Backing the relief administrator's charges of "corruption" in the Ohio relief administration, President Roosevelt today directed Harry L. Hopkins to "assume entire control" of spending federal relief funds there.

The action struck directly at Ohio's democratic governor, Martin L. Davey, whose campaign committee, Hopkins contended, had conducted a "shakedown" from firms doing business with the state relief administration.

Sharply Davey replied, with a denial of Hopkins' charges and a dare that he come to Ohio and face prosecution for "criminal libel."

## Long Beach Fire Covers Four Blocks

LONG BEACH, Calif., March 16.—(AP)—Sweeping through three structures at 14th street and Colorado avenue in the east Long Beach industrial district, fire early today menaced an area of four blocks.

Before firemen could reach the scene the salvage plant of the Good Will industries, a charity organization, and the Harbor Mill and Panell company and the Bentler Woodworking company plants were badly damaged. Firemen estimated the early damage at \$100,000.

## Death Caused by Plunge of Auto

LA GRANDE, Ore., March 16.—(AP)—Rolla W. Thomas, 40, Starke, Ore., was in grave condition here today from fractured and dislocated vertebrae and internal injuries suffered last night in an automobile wreck near Starke.

A companion, A. Rogers, escaped with only minor injuries when their automobile plunged down a 100-foot embankment.

## MARTIN MOVES FOR PROBE OF RELIEF RECORD

Independent Committee to Be Selected; to Have Full Cooperation

Judd Greenman is Selected to Head Reorganized Board in State

A thorough-going investigation of the Oregon state relief administration through an investigation committee of three named by Governor Charles H. Martin was announced yesterday by the state's executive following a meeting of the newly organized relief committee.

The governor said late yesterday afternoon he was not ready to announce the members of the committee. Their appointment is expected early this week.

The decision to conduct the investigation was made with the full concurrence of the state relief group, Governor Martin said.

The new relief board met in the governor's office for an hour and one-half in an executive session which preceded announcement of the investigation.

Greenman is Chosen to Head Committee

Judd Greenman, republican, Vernonia, was named chairman of the new relief committee; E. R. Bryson, republican, Eugene, was named vice-chairman; Celia Gavlin, democrat, The Dalles, was elected secretary. Other members of the state relief committee as it is now constituted include Mrs. Thomas Horneyman, republican, Portland; Walford Shuholm, democrat, Portland; J. H. Lihun, democrat, Portland; Dr. Robert L. Benson, republican, Portland. Miss Gavlin was unable to attend yesterday's meeting because of a court engagement at Goldendale, Wash.

In determining on the relief investigation, Governor Martin said he imposed five conditions:

1. The investigation must be completed within 30 days. "This is to safeguard relief clients and employes from the unrest arising from the uncertainty of the nature of the report," the governor said.
2. Affidavits under oath are to be taken from persons making charges.
3. During the progress of the investigation, there will be no publicity. When the report of the committee is ready, it will be released to the press by the governor.
4. All financial records, including the sums of money or materials furnished each relief case, will be furnished the investigators, but confidential material regarding relief clients will be safeguarded as required by federal regulations.
5. The data and conclusions of the investigators will be subject to check and to verification by federal officials since the federal government has a continuing interest in funds allotted for unemployment relief purposes.

The investigation of relief administered in Oregon the last (Turn to Page 2, Col. 1)

## WOMEN TAKE LEAD IN BOOSTING LINEN

Government Financial Aid Sought; Mrs. Gabriel Heads Movement

PORTLAND, March 16.—(AP)—Flax linens will catch the eye of almost any woman, but the flax and linen industry itself has caught the eye of a group of Oregon women.

Under leadership of Mrs. W. W. Gabriel of Portland, the Oregon women's campaign for development of the flax industry has rallied wide support. Government cooperation in financing is sought.

Encouraging words and support were received by the group from Senator Charles L. McNary of Oregon, the minority leader.

"I am so happy to know of your splendid cooperation and that of your committees in the matter of promotion of the linen industry," Senator McNary wired Mrs. Gabriel.

"I hope we may succeed in obtaining (Turn to Page 2, Col. 4)

## FLOODS LEAVE THOUSANDS HOMELESS



Above, St. Francis river after it got out of control above Kennett, Mo., cranking through levees at five places, trapping livestock and forcing hundreds of persons to flee from their homes. Below, general view of Poplar Bluff, Mo., after the raging Black river invaded the outskirts of the town and drove many families from their homes.

## World News at a Glance

By The Associated Press

WASHINGTON—Senate amends work relief bill to continue relief administration one year, defers action on public works extension.

KANSAS CITY—Dust storms in west cause four deaths, severe damage; rains and snow give relief in places.

WASHINGTON—Income tax returns for first 15 days of March increase 29 per cent over last year.

NEW YORK—Tieup of transportation, manufacturing, lighting current threatened by proposed walkout of utility employes.

WASHINGTON—\$120,500,000 of new security issues in March causes securities commission to predict capital market is thawing out.

WILKES-BARRE, Pa.—29 anthracite miners sentenced for defying a strike injunction.

WASHINGTON—2,110 arrests and property seizures reported in two-day anti-crime roundup by treasury.

RALEIGH, N. C.—Fight promised by Mrs. Elva Davidson's will leaving her part of Statler fortune to husband.

WASHINGTON—Senate orders investigation into Morro Castle and Mohawk disasters and into drop of cotton prices.

WASHINGTON—House "liberal bloc" adopts 16-point program for economic and social justice.

Foreign:

BERLIN—Hitler defies Versailles treaty and assumes equality of armament by decreasing compulsory military service which more than quadruples army.

PARIS—France instructs diplomatic representatives to discuss steps to be taken about German rearmament with Versailles signers.

LONDON—Barbara Hutton announces divorce action against Alexis Mdivani.

BRAZZAVILLE, Middle Congo—Governor general, six companions, lost in plane in cannibal-infested jungles; reports they have been found not confirmed.

PARIS—Premier Theunis of Belgium prepares to ask economic aid of France in "gold bloc" monetary conversations.

## EUROPE EXCITED AT MOVE BY GERMANY

Some Nations Sympathetic, Viewing Stand as One Forced by France

(By The Associated Press)

Intense excitement gripped European capitals Saturday as the German government, suddenly sloughing off the military provisions of the Versailles treaty, decreed compulsory military service in the Reich.

The action, following soon after Gen. Herman Wilhelm Goerring's announcement that Germany has an "official" military air force, was taken in many quarters to be the Reich's direct answer to the French adoption of two-year compulsory service and the recent British white paper criticising German rearmament.

Paris, in particular, was stirred by the news from Berlin, Frenchmen recalling the similar sequence of events that preceded the outbreak of the world war.

Telephone wires between Lon- (Turn to Page 2, Col. 6)

## HITLER SCRAPS TREATY, PLANS BIGGER ARMIES

Half Million or So Peace Time Force Proposed by Germany's Fuehrer

Violations, Preparations for War by Neighbors Cited as Reasons

By LOUIS P. LOCHNER (Copyright, 1935, by Associated Press)

BERLIN, March 16.—The German government, declaring Germany no longer obligated under the Versailles treaty, today announced approximate quadrupling of its regular army.

(Under the Versailles treaty, signed at the conclusion of the World War, Germany's armaments are sharply restricted and her standing army limited to 100,000 men.)

Simultaneously Chancellor Adolf Hitler, lashing out bitterly at rearmament over Europe, disclosed that the cabinet, in decreasing compulsory military service throughout the reich, acted in direct answer to the French move increasing the term of army conscription to two years.

The cabinet's decree provided that Germany's future peace time army shall consist of 12 army corps of three divisions each, or 36 divisions in all. It will number, according to semi-official estimates, from 325,000 to 450,000. (A dispatch from London said Hitler bluntly told Sir Eric Phipps, the British ambassador, that the German army will number 500,000 men.)

**Fewest Intentions**  
Of Nations Retreating  
The Fuehrer, reiterating Germany's peaceful intentions said her national safety demanded an increasing army.

He cited rearmament through Europe, assailed violation of the Versailles pact on the part of other powers and said "under these conditions Germany had to take the necessary measures to put an end to her defenselessness."

Rushing back to Germany from Berchtesgaden to shepherd the "big army" decree through the cabinet's vote at early morning meeting, the chancellor issued an impassioned appeal to the German people, saying Germany is compelled to take her military fate in her own hands.

"When Germany laid down her arms and submitted to humiliating conditions in 1914," he said, "she hoped to serve humanity."

"... Only because Germany expected that general international disarmament would follow in the (Turn to Page 2, Col. 7)

## MILL CITY AND UMAPINE LATEST SELECTIONS FOR STATE BASKETBALL RACE

Little Prescott Reaches Finals, Then is Drubbed

Portland "B" Entrant Only One Lacking; Pick Monday

Gym Prepared, Teams to Begin Arriving Early in Week

SEATTLE, March 16.—(AP)—The Yakima Pirates, performing with all the power of a college five, snatched under Little Prescott, the smallest school but the sensation of the tournament, 47 to 11 here tonight to win the 1935 Washington state high school basketball title. About 3,450 of the 3,500 fans were pulling for Prescott.

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First Day Schedule  
1 o'clock—Salem vs. LaGrande.  
2 o'clock—Marshfield vs. Columbia Prep.  
3 o'clock—Ashland vs. Benson.  
4 o'clock—Jefferson or Lincoln vs. Umapine.  
5 o'clock—Mill City vs. Astoria.  
7:30 o'clock—Corvallis vs. Klamath Falls.  
8:30 o'clock—McMinnville vs. The Dalles.  
9:30 o'clock—Gardiner vs. Onkrige.

With only one more team of the 16 district champions to be named and with the Willamette gymnasium cleaned, polished and overhauled, everything is in readiness for the opening of the 16th annual state high school basketball tournament here Wednesday afternoon.

Portland, perennial laggard, has yet to select its second place team. Jefferson and Lincoln will play Monday for the right to come to the tournament representing District 12. Benson, champions of the Portland interscholastic league, will represent District 11.

Mill City and Umapine qualified last night in the finals of "B" district tournaments at McMinnville and Pendleton to represent Districts 13 and 15.

Play will start Wednesday afternoon at 1 p.m. when Salem meets LaGrande. Eight teams will be played the first day, losers going into the consolation series with a chance to win fifth place. No team can lose more than one game and remain in the tournament.

In preparation for the annual playoff the Willamette gymnasium has received its annual spring cleaning. A large staff of students will assist Coach R. S. Keene, tournament director, in handling the crowds.

For the first time in the history of the tournament four "B" teams are bracketed with the "A" teams, throwing a large "dark horse" element into the tourney. Two of the "B" teams run up against strong "A" competition in their first games, with Garcon and Salem. Eight teams will play in the final first round game at 9:30 Wednesday night.

Wednesday night's program brings together some of the strongest teams in the tournament. Corvallis, champion of District 7, plays Ashland, Marshfield, Columbia Prep, Ashland, Astoria, Klamath Falls, McMinnville and The Dalles.

Salem has won more state championships, with four to its credit, than any other team. Astoria, 1934 champion, has been state titlist three times.

Officials for the tournament will be Ralph Coleman, Harry Leeding and Emil Piluso.

McMinnville, Ore., March 16.—(AP)—The Mill City high Loggers hued their way into the state high school basketball tournament with a 25-to-20 win over Wheeler high in the district 15 B league final here tonight.

(Turn to Page 2, Col. 8)

## Pence Arrested After Car Hits Parked Machine

M. Pence, 1720 Broadway, was arrested by city police early this morning on a reckless driving charge after he had driven into a car parked in front of the Marion hotel.

Pence's car, a sedan, struck the parked car with sufficient force to swing it through a 45 degree angle and to tear off a rear wheel.

The windshield on Pence's car was shattered and the bumper and radiator damaged.

Officer Frank Winslow made the arrest.

## Lodge to Observe 40th Anniversary

CHEMAMAWA, March 16.—Robekah lodge No. 1 will celebrate its 40th anniversary Monday evening with an appropriate program under the direction of the noble grand, Evelyn Heffeman and Mabel Gardner. Initiation will also take place.

At the meeting last Monday John Groves, William Clavek and George Naderman had charge of the program, which was much enjoyed. Mildred Wallace played solos on the steel guitar; Norma Panderen at the piano and Elmo Inzenti with his violin played several duets.

## Supposed Minor Injury is Fatal

KLAMATH FALLS, Ore., March 16.—(AP)—The death last night of J. E. Loise, stockman of the Swan Lake district, surprised hospital attendants who believed him only slightly hurt in an automobile accident near Dine.

It was believed heart weakness may have contributed to his death. His car overturned on the Klamath-Lakeview highway.

## GRAM CRACKER USES FEATURED THIS WEEK IN RECIPE CONTEST

Graham cracker recipes are wanted at the Round Table contest. If you know of a tasty spread with which to dress up these crisp crackers, send that in and tell how you decorated them for party occasions.

There is no limitation on the kind or number of recipes submitted, just so they call for Graham cracker in some form. Please list all ingredients first, then describe the method and last, state how many the recipe serves. The contest closes Thursday noon, March 21.

Would anyone having a good recipe for oyster loaf please bring it to the Statesman office or send it to the Round Table editor? There has been a request for one and the files from the fish topic of several months ago didn't have just what this housewife wanted.