

The Weather
Rain today and Thursday,
no change in temperature;
Max. Temp. Tuesday 49,
Min. 40, river 16.4 feet,
rain .25 inch, southerly
wind.

Hundreds Serve
Hundreds of reporters, including the local staff, correspondents and Associated Press workers all over the world, bring you the news.

EIGHTY-FIFTH YEAR

Grade School Building Contract Granted

Reimbursing Farmers Roosevelt's Only Immediate Program

Wallace Calls Big Gathering To View Issue

70 Leaders Summoned to Meet Friday, Discuss Future Politics

Moral Obligation Cited by President; Other Laws Held Shaky

WASHINGTON, Jan. 7. (AP)—Surveying the ruins of his farm aid program, President Roosevelt reported tonight his only decision so far is to ask congress to reimburse farmers for suddenly-terminated AAA contracts.

Secretary Wallace, however, called 70 farm leaders to the capital for a conference Friday and Saturday "to discuss plans for agriculture in light of the supreme court's decision in the Hoosac mills case."

Says Condition of 1932 Threatened

Earlier, Wallace warned in a radio speech against a return to farm conditions of 1932. All field activities of AAA were halted. Employees here reported for work as usual. Although the treasury reported it had stopped writing checks for administrative expenses as well as payments to farmers under the invalidated law.

Congressional leaders tried to gauge the effect of the decision in the nation, with no immediate conclusions. Some advisers were known to have suggested that the president issue a statement; others warned against an immediate pronouncement.

The effect on other new deal laws received renewed appraisal, with considerable sorrowful head-shaking. Cabinet members continued their study of the court verdict and tried to digest its vast implications.

Wallace cleared up one question when he announced that in the agriculture department's opinion, provisions of the adjustment act governing sugar quotas were not affected.

No News, President Informs Reporters

Tired-eyed but still smiling, Mr. Roosevelt received more than 200 reporters at his regular press conference with the usual announcement that there was "no news."

He ended the conference with the same declaration.

The president's only positive assertion in reply to eager questions was that he felt the government had a moral obligation to reward farmers for performance under existing contracts through which they had reduced crop acreage.

He said congress would be asked as soon as possible to make an appropriation for this purpose, and that he had no doubt of its power to do so. The amount needed, he believed, would be small.

The AAA said yesterday it still owed some \$233,000,000. In addition, officials said they already have disbursed \$200,000,000 more than the treasury has received in processing taxes.

Asked if he intended to address the conference called by Secretary Wallace, President Roosevelt replied he had no plans now to do so. To another question, he said he had not yet written his speech for the Jackson day democratic dinner tomorrow night, and had not considered whether he would discuss the AAA.

Salvage of AAA Dairyman's Hope

TILLAMOOK, Ore., Jan. 7. (AP)—The Oregon State Dairyman's association, at the closing session of the state convention today, went on record favoring a re-enactment of the agricultural adjustment act's principles of market control.

Other resolutions favored additional federal aid in controlling cattle disease; equalized taxes on oleomargarine and butter, standardization of butter manufacturing and the Frazer-Lenke farm mortgage act.

A. E. Engstrom, member of the Oregon milk control board, told delegates today that the next three or four years will bring higher butterfat prices. Factory payrolls are advancing and farm prices are keeping pace, Engstrom said.

Leaders Compromise, Bonus Bill Will Reach House Vote on Friday



Three members of the house of representatives who have been active in supporting a bill for immediate payment of the veterans' bonus, holding a conference on that legislation shortly after congress convened. Representative Patman of Texas was author of the inflationary bonus bill which was vetoed by President Roosevelt last year.

Bonus Measure Is Slightly Amended

No Refund Upon Interest Paid, But Will Cancel Unpaid Charges

WASHINGTON, Jan. 7. (AP)—A veterans organization bonus bill, slightly amended as to its financing features, tonight was steered toward a house vote on Friday which democratic leaders conceded would approve it by "an overwhelming majority."

Speaker Byrns said there was no disposition among the leadership to postpone action on the bonus until next week unless its backers wanted that. Members of the appropriations committee said they had no objection to laying aside the independent offices appropriation bill, which is to be up tomorrow for general debate.

Save 7 Millions Interest Refund

The bill would authorize immediate cash payment of the bonus, but offer a 3 per cent interest in-
debtment to veterans not to cash (Turn to Page 2, Col. 4)

Mt. Hood Summit Gets Only 5 Days Privacy

GOVERNMENT CAMP, Ore., Jan. 7. (AP)—Mr. Hood's summit had but slightly over five days respite from human invasion in 1936. Gary Leach and Joe Daniels fought through a blizzard yesterday to win the honor of being the first to scale the peak this year.

The two became separated on the descent. Daniels appeared today noon as a searching party was preparing to look for him. He spent the night at Camp Blossom cabin. Leach arrived here last night.

Contracts' Fate in Doubt; Riches Stops Control Work

Marion county farmers who have signed contracts for wheat control and for corn-hog production control did not know late yesterday whether the government would be permitted to carry out their contracts and to pay them benefits now due. One-half of the corn-hog production payments are yet unpaid. All the wheat payments for 1935 have been met but many contracts for a four-year adjustment program have been signed and the government is obligated for payment under these contracts if growers fulfill their control of land planted to wheat.

President Roosevelt, meanwhile, had announced in Washington he would ask congress for a direct appropriation to pay obligations of the government on the contracts. He opined that such payments would be legal although certain lawyers here said the government was completely estopped under the AAA decision of the supreme court from paying

Kyle Is Bound Over to Face Murder Count

No Defense Presented at Hearing in Woodburn; Slaying Reviewed

Grand Jury Expected to Take Matter Up With Minimum of Delay

John Kyle, 65, was bound over to the grand jury yesterday by Justice of the Peace Overton at Woodburn. Kyle faces charge of first degree murder.

Paul Burris, appearing as counsel for Kyle, made no defense for Kyle, indicating he would present his client's case directly to the grand jury.

Transcript in the hearing yesterday at Woodburn will be filed with the grand jury here today. W. H. Trindle, district attorney who conducted the hearing, indicated he would present the Kyle case to the grand jury now meeting here, sometime before the week end.

Five Witnesses For State Heard

The state put on five witnesses in the hearing before Justice of the Peace Overton. They included the mother of Hugh Jean Sloan, 41, who was killed by four bullets fired by a gun owned by Kyle. Kyle admits the shooting but declares he shot in self defense.

John Smith, neighbor of Kyle who was called to the house after the shooting, which occurred early Thursday, January 2, made a statement of what he knew about the case. Other witnesses called included Captain Walter Lansing and Farley Mogan, members of the state police, and Dr. Paul A. Pemberton of Woodburn who was called to the Kyle house early on the morning of the shooting.

Kyle and Sloan came to Salem on New Year's day to attend a boxing match at the Salem armory. Both men had drunk considerably during the day, Kyle said the day of the shooting. He said he had gone to bed at his home, after driving back with Sloan, and attempted to take money from him, Kyle alleges he shot defending his property.

The state indicated yesterday at Woodburn that it thought the case clearly one of murder and the district attorney's office said the case against Kyle would be pressed vigorously.

Subsidy for Flax Hope Is Retained

CORVALLIS, Ore., Jan. 7. (AP)—The Oregon flax growers board authorized a telegram to Senator Charles R. McNary (R-Ore.) today urging that flax be included in any future agricultural program and recommending that flax production be subsidized.

The board also passed a resolution calling for the establishment of a scutching and retting plant in connection with the agricultural experiment station at Corvallis.

Plans for construction of three plants in Oregon were discussed and reports on the progress of acreage signing work were heard from Eugene, Mt. Angel and Clackamas county.

G. R. Hyslop of Corvallis, chairman of the group, said the board could not determine locations for the plants since the works progress administration had that power. Locations will be chosen from communities meeting acreage signing requirements.

Joe Berni reported that Mt. Angel signed for about 750 acres of flax and was "making progress" in forming a cooperative.

Prowler Reported But Informant Secretive

Night Fire Minor

Kansas Beauty Queen Selected



Walt Disney, creator of the comic strip, Mickey Mouse, knows his beauties as well as his families, judging by his selection of Miss Mary Alice Woods of Independence, Mo., as co-queen at University of Kansas, Lawrence.

Relief Setup Not Permanent, Word Committee Explains, Will Not Argue; U. S. Still Aids on Overhead

Marion county's relief program, which was subjected to criticism last week by County Commissioner Hewlett, is in a formal state and charges that administrative costs are too high cannot be soundly made until the relief program is definitely determined by the county committee, it was learned yesterday from members of that body. Members said they did not care to engage in a printed debate with the commissioner.

All overhead costs of the relief administration for January are to be met by the state committee out of funds left by the federal government for "cleaning up" the old relief administration.

U. S. to Pay Half Administrative Cost

For the next six months thereafter, relief committeemen said, the federal government is willing to share half the administrative costs so that uncompleted records and reports can be finished.

The committee does not expect to keep more than a few administrative positions when the total cost is borne by the county and the state, relief committee (Turn to Page 2, Col. 1)

Planning Board Chief Of Josephine County In Under Indictment

GRANTS PASS, Ore., Jan. 7. (AP)—The grand jury today indicted A. Walker, Josephine county planning board chairman, on a charge of obtaining money falsely while pretending to represent an organization. The amount named was \$22.50. Walker has appealed a year's jail sentence resulting from a similar charge.

Earl Thompson, former SERRA chief here, was indicted on a charge of larceny, brought by D. D. Hall, state eagles' president. Thompson was accused of the larceny of \$450 in connection with the state eagles' convention here last summer.

Suicide Is Verdict of Coroner's Jury in Case Of Leon C. Morehead

A coroner's jury yesterday noon decided that Leon C. Morehead, 24, died at his home, 1549 Broadway, December 27, as the result of a gunshot wound, "self-inflicted with suicidal intent."

The inquest was called suddenly by Coroner L. E. Barrick Monday night after investigation of Morehead's death apparently had ended.

Reds' College Broken up by War Veterans

Police Get There First and Make Arrests as Classes Launched

Warning Ignored; Severe Injuries Suffered by Some Communists

SEATTLE, Jan. 7. (AP)—The first session of a so-called communist college ended in rioting and fighting tonight after approximately 100 world war veterans converged on the school in an office building and ordered the students and teachers to move out.

Plots and clubs were swung, cracking heads and cutting faces. The students and teachers, fighting, kicking and slugging, literally were carried from rooms in the building where they had assembled for communist teachings in defiance of orders of Mayor Charles Smith.

Veterans Arrive As Police Depart

The war veterans descended upon the school immediately after a special detail of police left the rooms with five prisoners. One was Morris Raport, Pacific northwest organizer for the communist party. Last week he defied Mayor Smith to arrest him or to interfere with opening the school.

The promoters of the college went ahead with their plans to open classes despite a statement from Chief of Police W. B. Kirtley that "teachers and promoters will be given a ride in the patrol wagon if any attempt is made to open the school."

The war veterans arrived as W. A. Randall, dean of the school, was attempting to conduct the classes without report.

The veterans, as they entered the school rooms, suddenly whipped clubs and blackjacks out of their pockets. The battle ensued. Several students

Suffer Injuries

It continued through hallways and down two flights of stairs to the street. Several of the students were hurt. Albert Andrews, 40, chairman of a communist unit, was arrested after the rioting and was treated for a head injury at the city hospital, George Brotsche (Turn to Page 2, Col. 5)

Governor Favors Basic Law Change

Governor Charles H. Martin came out strongly yesterday for amendment to the federal constitution to "make it conform to modern conditions."

His statement came in response to press inquiries to the invalidation of the AAA act by the United States supreme court.

"You cannot go around the same corner all the time and get anywhere," the governor remarked.

"The federal constitution, as it stands, has served its usefulness and should be amended," he declared.

He said he considered the supreme court opinion a severe blow to agricultural interests. He said he had supported the AAA program when in congress.

Constitutionality of Many New Deal Laws in Question

WASHINGTON, Jan. 7. (AP)—Widespread uncertainty over the constitutionality of many new deal laws continued tonight despite optimistic views expressed by staunch friends in and out of congress.

Some Eliminations Voted, Use Made of Contingency Funds

Final Price \$127,500; Construction May Be Started in Three Weeks, Finished Ere Fall Term

Stucco Finish, Smaller Auditorium Some of Changes; Condemnation For High School Is Ordered

THE first general contract for the Salem school building program was awarded last night to Drake, Wyman & Voss, Portland, after the directors had spent 2 1/2 hours deciding on \$2100.50 worth of eliminations from the specifications. The contract price was set at \$127,500, requiring a \$1990 dip into a \$36,000 contingency fund for the entire program.

Construction probably can be put under way within three weeks and completed within seven months, Donald M. Drake, member of the contracting firm, estimated. He said the company had been able to submit a satisfactory bid because it could set up a central concrete "batching" plant between the grade school site and the scene of construction of the blind school dormitory, for which it also is the general contractor.

The directors accepted 15 of the 25 items suggested by Architect Frank H. Struble for omission to cut costs, but balked, encouraged by Director E. A. Bradford, at cheapening such materials as roofing, heating equipment and stucco, omitting indirect lighting in the auditorium, centrally-controlled classroom clocks and heating for the basement playrooms.

Stucco Finish on Exterior Planned

As now planned the grade building will have a stucco-finish exterior in place of brick. The auditorium size has been reduced to 400 seating capacity, acoustical treatment removed from corridors, provision for new teachers' desks and new seats in upper grade classrooms eliminated.

The board authorized the closing of deals for purchase of sites for both the grade and the senior high buildings. The grade site will cost \$25,225 and the senior high site \$21,900.

Employment of inspectors for each of the three school projects was left for another meeting. Superintendent S. Gaiser said he had a long list of applicants, whose names were not disclosed.

Objections by Bradford failed to stay an order to W. C. Winslow, the board's legal adviser, to institute condemnation proceedings against eight lots and a store building owned by N. Selig, located between 14th street and the Olinger field grandstand. A store would be objectionable student influence near the high school, Chairman Walter B. Minier declared.

Record Number of Wood Bids Received

The largest number of bids in the board's history, 16, was received on supplying 800 cords of furnace wood for use in the schools next winter. They ranged from \$3.13 on slabwood to \$4.10 on old fir per cord. Six bids were referred to the supplies committee for a recommendation. They were made by Henry Fern, Dallas route 2; Roy Stevens, West Salem; Robert Fromm, Salem route 7; Lardon & Hodge Lumber company, Crabtree; W. O. Heater, 1585 North 20th street, and W. D. Barnes, Jefferson.

The 1936 school district tax levy was amended to include \$22,625 for payment of interest on the new school bond issues.

The board gave its permission for use of Leslie junior high school rooms Tuesday and Friday evenings for a WPA sewing class to be taught by Mrs. Flora Short.

Jackson Diners Will Hear Chief

One hundred fifty young democrats are expected to attend the Jackson day dinner tonight at the Quella where Governor and Mrs. Charles H. Martin will be special guests. Avery Thompson will be toastmaster.

A special "radio" guest will be President Roosevelt who will speak to similar banquets being served throughout the nation. The keynote of tonight's gathering will be the slogan of young democrats for Oregon: "Reelect Roosevelt."

Cherrians Greet 15 New Members

Salem's nationally known booster organization—the Cherrians—made merry last night at the Marion hotel as they installed Breyman Boise as king king and welcomed 15 new members into their organization.

"We'll attend more gatherings than ever before in 1936," said the new king king. "Not only will we go to cities throughout the valley and to the Rose festival in Portland but I want the Cherrians to make a trip to the coast and appear at some of the places there."

William Schmitt, retiring king king, spoke briefly as did Mayor V. E. Kuhn. The main address was made by F. G. Deckerbach, long a loyal Cherrian.

The Van Tine entertainers from Portland put on some magic acts as well as some dancing numbers. Initiation Reported As Hilarious Affair

New members initiated last night with a hilarious celebration (Turn to Page 2, Col. 3)

Gould to Confer With Capitol Board Today

Acting promptly, Carl F. Gould, who last week was named technical advisor for the state capital commission, will be here this morning to submit a preliminary progress report to the commission. J. A. McLean of Eugene, chairman, came to Salem last night to preside at the meeting this morning. The meeting of the entire commission is scheduled for 10:30 a. m. today in the supreme court building.