Legislature Asked to Back Valley Project

New Year Greeted Noisily Here Contact Made

Here Orderly;

Occasion; Few Calls Come to Police

Sheriff Has Battle With Suspected Inebriate, Suffers Scratches

A horn-tooting, shouting throng of joyfully celebrating citizens last night painted a flourished "30" across Old Man 1936 and his bag of returning prosperity and wildly waved the welcome sign at that young hopeful, Master 1937. The dim of downtown Salem

bore evidence that times were far different from those of the de-pression years, when celebrating was done but not so whole-heart-edly. The absent steam whistle reverberations of other days were, to the city center observer, shrily echoed in a chorus of rancous automobile horns. Here and there a firecracker added to the auraal

Play to Capacity
Throughout the city in family and club groups men, women and children assembled to celebrate; others crowded theatre midnight

shows to capacity.

But the celebration was largely one of orderly conduct. Up to

Strike Spreading In Auto Industry

(By the Associated Press) New walkouts in plants scrved yesterday to growing concern that all motor car production, with the exception of the Ford company, might be tied up. William S. Knudsen, executive

vice president of the General Motors corporation, whose widespread interests in the automobile industry were the most di-rect target of strikes, with 30,-000 employes idle, indicated willinguess to negotiate in a statement issued at Detroit.

A company spokesman a a 1 d collective bargaining must be carried on with individual plant managers, however, and proposed that "sit-down" strikers vacate plants before negotiations were

Activity was halted at the Guide Lamp company, Anderson, Ind., unit of the General Motors corporation, when 2,900 employes quit work.

Another GMC subsidiary, the

Chevrolet and Fisher Body company plant at Norwood, O., near Cincinnati, was shut down by a walkout of 2,200 men.

Postal Receipts All-Time Record

Postal receipts for 1936 set a new all-time high, with a possibility that completed figures may send the figure over the \$300,000 mark, Postmaster H. R. Crawford said yesterday. With a number of receipts yet unreported the gross income for the office during the year stood at \$295,955 late yesterday. This is an increase of \$29,-190 over the \$266,765 registered in 1935.

In checking over the receipt records for the last 45 years Postthe receipts in 1902 were \$23,819. That was the year that the present postoffice building was occupied. With the construction of the new building about to start he stated that the business of the office will probably be over the \$300,000 mark before it is occupied. This will represent an increase in business of more than 1200 percent during the 34 years the old building has been in use.

Extra Copies Available of Today's Paper

This issue of The States-man consists of four sec-tions, 42 pages, one section for general news and three sections devoted to special features of the New Year's edition

Rice Winds Up 22-Year Building Tops Service as Treasurer; Four Arrested Lands Public Support

No Serious Mishaps Mar Twefity Million Dollars in Cash or Equivalent Is Handled in That Time; Retiring Official Speaks Good Word for Successor

A MAN grayed with 22 years in his city's service but still able to smile in the face of an impending unhappy event, Clyde O. Rice yesterday afternoon spoke a good word for his successor and locked the city treasurer's effice; Saturday he will be plain John Citizen and Paul H. Hauser will be

More than \$20,000,000 in cash

checks, warrants and bonds has passed across the counter behind

Blacksmith Helper Early in Career

By dint of studying at Willam-

ette university and business col-

Bombs Are Found

Company Strike Seen;

One Employe Hurt

per cent gain for 1936. The co-op

gained more than 200 new pat-

Chief speakers were Rufus Holnan, state treasurer; Rev. A

Ward, manager of the Pacific Wool Growers' association and

president of the Oregon Co-operative council; Solon T. White, director of agriculture

for Oregon; and Clyde Smith, president of the Sheridan co-op

rons in 1936.

Chang Sentenced To 10-Year Term

But Early Pardon Hinted; Young Marshal Likely to Leave Country

NANKING, Dec. 31.-(P)-Mar-shal Chang Hsueh-Liang, who led a revolt in Shansi province and held Generalissimo Chiang Kai-Shek captive for 13 days, today was sentenced to ten years in prison, but persons close to the government believed he would be

This was the "young marshal's" of the 11 e punishment for the mutiny which he led December 12 at Sianfu, capital of Shensi province, where Early in C. he held the generalissimo prisoner

he held the generalissimo prisoner nearly two weeks.

Authoritative reports that Marshal Chang, former overlord of Manchuria, was sentenced to spend the next decade in jall, were followed quickly by others that he (Turn to page 2, col. 2)

Lindbergh Money Rumor Is Denied

TRENTON, N. J., Dec. 31-(P)-The Lindbergh kidnaping, crime of early 1932, tonight greeted still

the denial of Governor Harold G. a cache of \$21,650 in "gold backed" Lindbergh ransom money had been found, as reported in a Philadelphia newspaper. A year ago it was the arrival of the Lindberg family in England, where they fled for privacy. Two year ago the approach of Bruno Richard Hauptmann's trial.

Saying he knew "nothing" Saying he knew "nothing" about the reported find, the governor said in a statement: "It is undoubtedly another of the long list of journalistic pipe dreams conceived in confusion and designed to further mislead the public in its understanding of the Lindbergh case."

Col. Mark O. Kimberling, head of the state police, said "There's nothing to this latest thing."

Lindbergh case."

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Col. Turn to page 2, col. 5)

creamery and record returns to the farmers for 1936, the 24th year of the organization's activ-

Berning, in his annual address, urged the dairymen to work against the cream grading bill

Slated to come before the leg-felature and declared the nill "just another wedge to drive the

producer and ereamery far apart." He said the bill would

necessitate two more graders at the Mt. Angel plant. Pooling of Product Declared Essential

Mt. Angel Creamery Shows

Mary's school here today for the creamery in the state.

MT. ANGEL, Dec. 31—Nearly mately two cents more per pound 1600 persons gathered at St. for butterfat than any other

Past Records, More in Sight

\$1,893,246.34 Is Total for 1936; Salem Top **Oregon Community**

Capitol, Postoffice and Other Projects Will Make '37 Bigger

Salem broke all existing rec-ords in 1936 for building opera-tions; yet 1937's construction program will exceed that of the year which ended last night.

That is the prosperity picture painted in bold strokes across the books of the city building de-partment headed by Inspector E. from the munici-C. Bushnell. pal bookkeeping The city's construction report duties and a for 1936, \$1,893,246.34, repre-

multitude of citi- sents an upward bound of 443 zen - put ques-tions will seem per cent from 1935's more \$348,-359,05, it exceeds the former record year, 1929, by 50.35 per strange and a little empty to cent and even surpasses the combined value of permits for the six years 1930-35 by 6.6 per

government believed he would be pardoned soon.

The military affairs commission, sitting as a court martial with General Chiang presiding, handed down the prison sentence together with five years' deprivation of civil rights, authoritative sources discontinuous closed.

Ciyde C. Rice treasurer's office of the surface of the building statistics is not at all surprised that S a le m stands above 13 other Oregon cities, including portland, in point of upturn in construction activities. Pendle-ton, in second place, has reported a gain of 305 per cent over last year. citizen interested in building "The people have been mighty nice to me," Rice said, adding that he had been opposed at only three of the 11 elections through which Assure Continuance

Definitely assured public con-struction which will go into 1937 building permit records—the state captiol, barely started, and the new postoffice—alone will amount to \$2,261,737. Addlege, Rice as a young man gradu- ed to this total apparently will ated from a job as blacksmith's be at least \$100,000 for apartment houses, \$35,000 for two new churches and, in the opin-

dropped the hammer on the anvil and began operating a "concrete mixer" typewriter and an adding machine as treasurer in 1915. The typewriter was outmoded long ago (Turn to page 13, col. 6)

Hew churches and, in the opinion of Inspector Bushnell, more than \$340,000 in construction of new one-family houses.

"It is safe to say that building permits in 1937 will run over \$3,000,000," Bushnell deover \$3,000,000," Bushnell declared last night. "I have no doubt that residential construction will at least equal that of 1936 and while it is hard to tell about commercial building, there In Workers' Cars certainly will be a great deal accompanying the public build-

Further prospects for a still busier construction scene for 1937 Connection With Worsted ie in proposals for erection of a new county courthouse, of a new state office building and of a state library unit, the inspector pointed More Than Half Is New Construction

PORTLAND, Dec. 31.-(P)-Three employes at the strike-troubled Oregon Worsted company found unexploded bombs under A breakdown of 1936 building projects shows that \$1,719,844.90 the hoods of their automobiles worth of new construction and (Turn to page 13, col. 1)

Ray of Hope For Pontiff Appears

VATICAN CITY, Dec. \$1.-(P)-A small ray of hope pierced the cold mists hanging over Vatican City tonight and revelations that the clogged vein in the pope's left leg had cleared and local circulation had been restored.

Record Volume of Business The general circulatory condition, however, continued critical and there still were clots in the pontiff's blood stream that might bring death at any moment. greatest annual patron's meeting and banquet in history for the Mt. Angel Cooperative creamery, and heard R. J. Berning, president, report a record volume of business for the 1935 and 1936 showed a 31.09 The terrific pain, which it was

disclosed today had caused the pope to groan aloud throughout the night Tuesday, lessened somewhat and the holy father was noticeably more cheerful.

He told attendants he knew that he now is cured. His physician, Dr. Amanti Milani, however, shook his head, observing that despite the lessening of pain the pontiff's condition is most critical.

Vidal Denies He Plans to Resign

WASHINGTON, Dec. 21-(49)-Eugene L. Vidal said today trat he had not prepared his resigna-tion as director of air commerce. Declared Resential

Frank Hettwer, manager of the co-op creamery, presided at the program held during the morning and afternoon.

"Unless dairymen pool their milk and cream and unless they control the marketing of their dairy products. the dairymen and resemble the cited importations of can never hold their own," Bertain said in his annual address. He declared the Mt. Angel creamers.

He declared the Mt. Angel creamers.

The reciprocal trade act is not proving beneficial to the Ambritant in the had not prepared his rosignation as director of air commerce.

"When I entered public service," he said, "I did so with the purpose of carrying out a definite program for the advancement of civil aeronautics. That program has not been completed."

He cited importations of cheese from Canada as one factor proving his point and said that a year ago that country vate industry

The reciprocal trade act is not proving he had not prepared his rosignation as director of air commerce.

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Mr. and Mrs. H. Sterner and hereaped in jury when a definite program as a left had not sealed in his and maision streets to definite program for the advancement of civil aeronautics. That probably the largest turnout to wint relatives.

The sterners had come in jury when a definite or

With Kidnaper Rumors Claim

But Mattson Denies Any Developments; Asks Less Publicity

Police Hunt Apparently at Standstill; Clues Are Not Reported

TACOMA, Jan. 1—(Friday)—(AP)
—Dr. W.W. Mattson said today he
had heard no direct word from
his son Charles since the 10-yearold boy was kidnaped Sunday eve-

In an interview, he was asked the question, "Have you had any direct word from Charles?" He answered:
"No, nothing. No. There isn't

The doctor's flat negative came in the face of persistent reports, well established, that the family had made contact with the kidnaper who holds Charles for \$28,000 ransom. Observers were quick to point out-Dr. Mattson's statement did not deny he had received work from the kidnaper. work from the kidnaper.

The doctor also expressed con-cern over the amount of publicity being given the search for his son. Suggests Rose Bowl As Substitute Thrill

As Substitute Thrill

"If only the papers would play
up something else for a while!"
he said. "Can't they find something that everyone would be interested in! There's the Rose Bowl
game. Why don't they use that?
If there could only be a lull in the publicity at a crucial time like Dr. Mattson, former University

of Washington and Pennsylvania foetball lineman, was interviewed as he sat with his family in the home on the exe of New Year's and his 51st birthday. The 96th hour of his san's absence had Shipowners Meet passed shortly before without defi-nite developments in the case. While the Mattson family sat

at home, the kidnap hunt outside came to an apparent standstill. Justice Department Shows Inactivity

Department of justice agents, after their assistant chief, Harold Nathan, had greeted newspaper-men, took no further action that (Turn to page 2, col. 1)

Confidence Marks View on New Year

Operators came out of the meeting asserting they had offer-WASHINGTON, Dec. 31.-(AP)tempt to end the stalemate over preferential hiring for union mar-ine firemen and masters, mates tonight in statements and resolutions with which government leaders greeted 1937. and pilots. This has been termed R. Walton Moore, acting secrethe toughest issue in the 63-day tary of state, epitomized the New

Year attitude by saying: "Never, at the beginning of any year in the present century has there been stronger reason for confidence than now exists. That is my message of faith and hope as we look forward to an increasingly peaceful, happy and prosperous

Secretary Morgenthau - "The nation has a right to look to the new year with renewed confidence and courage. Business activities have increased, the national income has risen, opportunities for profitable work in all lines have broadened, and an eager demand for government issues at high prices demonstrates the high state of the nation's credit."

Secretary Ickes—"In 1937 we will consolidate the gains made in the first Roosevelt administra-tion and move steadily forward."

Baby 1937 Comes; Is Son of Former Rosedale Pastor

Meet "Baby 1937!" Each new year is pictured as an infant, but for Rev. and Mrs. Milo Clifton Ross, New Year 1937 will always mean

Year 1937 will always mean just that.

The baby son of Rev. and Mrs. Ross, weighing 5 pounds 15 ounces, was born at 1:05 o'cleck this New Year's morning in the Deaconess hospital.

Rev. and Mrs. Ross now live at Greenleaf, Idaho, where Rev. Ross is pastor. He was formerly pastor of the Friends church at Rosedale and a leader in young people's work in the Salem district.

Auto Struck by Engine But Occupants Unhur

Parents Report No News of Boy



naped last Sunday.

Two Union Groups

Claim Concession Offered

Firemen and Officers;

No Accord Reached

SAN FRANCISCO, Dec. \$1-(A)
Shipowners met two unions in a

"surprise" peace move today but the conference ended on a sour note, assuring continuance of the

long maritime strike deadlock into

Employer Spokesman T. G.

Plant's statement said his group

had offered wage increases, cash

pay for overtime work, union re-

cognition "and a clear cut guar-

antee not to discriminate against

officers for union activities."
In a letter to the masters, mates

was made "in return for an agreement assuring non-interference in

our selection of licensed personnel and subject to early accep-

Union Leaders Bring

Santiam, Molalla, Mary's and Other Tributaries Included in Huge **Development Plan Here**

Sponsorship Issue

To Be Raised, Plan

\$2,430,000 Flood and Erosion Control

Program Visioned With Larger

Appropriation Asked Later

Of Senator McKay

STATE spensorship of a \$2,480,000 flood and erosion control program in the Willamette valley will be asked at the coming session of the state legislature, Senator Douglas McKay, chairman of the Greater Willamette Valley project committee, announced yesterday. The project, McKay said, would be in contemplation of army engineers' recommendation. ions of a future \$50,000,000 flood, irrigation, navigation

power and drainage program.

Engineers have been studying the project for more than a year under a \$300,000 appropriation from congress. Recently an additional \$15,000 was given to complete the survey. It is expected to be finished next month.

Senator McKay said Representations of the survey.

Sheriff Has Bond Of Another Firm

Company Seeking Changes in System Left Out in Cold, Result

At the meeting yesterday aftermoon when Sheriff Burk presented the new bond to the court,
which was accepted, he accused
Eckles of bad faith in waiting
until two days before the start of
(Turn to page 13, col 3)

Hopes Lie Burie

Sioux Falls Blast statements asserting the conference had not discussed proposals publicly mentioned by the em-

Bandits Execute Member Wounded Girl States: Is Expected to Die

SIOUX FALLS, S. D., Dec. 31.

—(P)—A terrific explosion of dynamite and black powder, reported to have been set off by a robber gang to kill one of their members, shook this city and vicinity to-

A joint union statement said the two worker groups made "definite modifications in our stand, Ia., girl, was found shot and (Turn to page 2, col. 3) (Turn to page 2, col. 1)

Newspapers estimated New York celebrators would spend

tative Grace Kent Magrueder at other legislators as well as ernor Martin favored the stat

One million dollars would a to the Willamette river work, \$40,000 to the Clackamas, \$210,000 to the Clackamas, \$210,000 to the Tualatin, \$250,000 on the Molalla, \$180,000 on the Santiam, \$70,000 on the Mary's and Muddy rivers and \$80,000 on the McKenzie.

After informing the county court and Sheriff A. C. Burk that his company would not accept the \$50,000 bond of the sheriff unless individual bonds were placed on deputies handling cash, Gaylord B. Eakles, state manager of the United States Pidelity and Guaranty company found himself out in the cold yesterday, Sheriff Burk presented hewly signed bonds in the amounts of \$50,000 and \$10,000 as required by the court, signed by the Great American Indemnity company.

Eckles had told the court on Wednesday that the bonding companies had agreed that the bond should not be written only on the sheriff but should be split up among the deputies. Under the new bond the chief deputy in the tax collection department is to give personal bond to Sheriff Burk in the amount of \$10,000.

At the meeting yesterday after-noon when Sheriff Burk in the meeting yesterday after-noon when Sheriff Burk in the amount of \$10,000.

Hopes Lie Buried

Claimed Gang Job

Claimed Gang Job

LONDON, Dec. 31-(P)-The 15year struggle of the sea powers to
limit war fleets by treaty died tonight. For its sulogy there were
plans for bigger ships and bigger
guns from sea to sea.

The Washington and London treaties of 1922 and 1936, respectively, by which the nations sought to curb the size of naval forces, expired with the old year. In their place was a two-thirds unratified treaty among the United States. France and Great British.

Revellers in other cities were expected to lay proportionate a mounts on the line for a long night of dancing, drinking, bell ringing, horn tooting and confetti By Train Suffer

other guests and later enjoyed a Portland stopped his train quickly private movie.

Secretary of the Treasury, Moras he had ascertained no our had been injured.

lions Paid to Celebrate Noisy Arrival of Year 1937 The Associated Press) Seet the infant 1937 at the 'cross roads of the world." Now Year." Great Britain paced the rest tonight, With everything arranged to lay the keels for two \$5,600-ton capital ships on New Year's day and to add \$7 more by 1842 to the world's largest tonings of 1-222,163, his majesty's admirals began thinking of land guns in the Pacific to keep naval guns of the Pacific to keep naval guns in the Pacific Millions Paid to Celebrate

That was the watchword from dusk to dawn as millions of Amer-

From coast to coast they gathered in hotels, clabs, theaters, hot spots, taverns, homes and cafes, intent upon fulfilling professional hosts predictions of a New Year celebration rivalling the mass scale revelery of boom

cipants in Chicago's merrymaking. The top charge there was
\$12.50. The total bill in these
inns alone was reckoned at between \$300,000 and \$400,000.

They opened the doors to sellout crowds in Washington. A
\$7.75 tariff was paid at one of the

Year with fireworks.
President Roosevelt sat down to
a New Year's eve dinner with his