

Government Reports Successful Drive

Rebel Soldiers Losing Ground

Noria Chain of Mountains Is Held Captured by Loyal Troops

HENDAYE, France (At the Spanish Frontier), Jan. 5.—(AP)—Success in a surprise offensive in southwestern Spain was reported by government troops tonight after the two-week-old insurgent campaign in the north-east rolled through Borja Blanca, the second important insurgent goal to fall in two days.

Dispatches from Valencia and Madrid said insurgent forces were in full retreat in the Valle-Quillo sector of Extremadura and had lost thousands of dead and prisoners in a battle that began shortly after dawn, at almost the same time that the insurgents were conquering Borja Blanca, the southern key to the government defense lines in Catalonia.

Noria Chain Taken
The Madrid and Valencia reports said that the entire Noria chain of mountains had been captured and that the railroad line from Cabeza Del Buey, 140 miles southwest of Madrid, to Belmar had been cut. Insurgent resistance in the Noria mountains had collapsed, the government reported, when militiamen captured strategic Papudo after six hours of hand-to-hand fighting.

The government attack in the southwest, designed to offset Generalissimo Francisco Franco's gains in the east, hit the insurgents on one of their weakest fronts, from which it had been reported Franco had withdrawn large numbers of troops for the offensive against Catalonia and Barcelona.

The tactics were a repetition of those by which the government halted Franco's drive on Valencia late last summer. Then, an equally surprising government attack on Gandesa forced Franco to abandon a campaign against Valencia to clean out a pocket on the Ebro river.

Odorous in the News

HOPKINSVILLE, Ky., Jan. 5.—(AP)—You have trouble? Here's what happened to Mr. and Mrs. Emmett Lee Watson:

She was stricken with appendicitis. Husband was rushing her to the hospital. There was an automobile accident. The surgeon fixed an injured leg and took out Mrs. Watson's appendix in the same operation. Husband had three fractured ribs and 18 stitches to sew up his head.

Add to that the Watson home burned December 5, destroying all the furniture and most of the clothing.

ASHLAND, Ky., Jan. 5.—(AP)—Cruising Patrolman Norman Berry and Elmer Collier saw two men carrying a sack in the early morning hours.

"What's in the sack," asked the law.

"Rocks," they said. "Let's have a look."

They were barred Rock hounds, choked to death. The owner donated the chickens to the jail but the culprits didn't get to enjoy them—they were taken to court before meal time.

ATLANTA, Jan. 5.—(AP)—Walter McDonald, blind chairman of the Georgia public service commission, boasted a deer head for his office wall today—and had his shirttail back.

Hunting near Brunswick, McDonald fired when he heard an animal crashing by. Two buck-shot found the mark but the deer ran on. Companions followed custom, cut off McDonald's shirt-tail. Later, the 140-pound buck was found dead. The cutters had to sew the tail back on the shirt.

BONIFAY, Fla., Jan. 5.—(AP)—"Uncle Ab" Boswell was prepared to "moan any kind of yam" when he went to investigate a noise in his corn crib.

But he was flabbergasted to find an elephant calmly helping himself to the Boswell corn.

With the aid of neighbors, Boswell corralled the big beast in a yard. The elephant had escaped from a circus.

Deficit Would Be Near Limit

"Moderate" Tax Increase Proposed to Pay for new Expenses

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farther into the red during the year was anathema, however, to most republicans and conservative democrats who, like Senator Byrd (D-Va.), contend the new deal's fiscal policies are leading the country toward chaos. A storm of criticism broke from this quarter. Senator Tamm (R-Ohio) said the budget was shot through with the "false idea of pump-priming," and Senator Bailey (D-NC) declared continued heavy spending meant more and more taxes.

Large Sum Asked For Defense
Mr. Roosevelt asked by far the largest sum for national defense in the nation's peace time history—\$1,609,558,000, of which he said \$1,319,558,000 actually would be spent during the year.

To build a vast fleet of war planes, continue the naval construction program, increase naval personnel and finance the army and navy generally.

"Because of the conditions of modern warfare," he said, "we must perform in advance tasks that formerly could be postponed until war had become imminent." At the same time he urged "assurance" to the country's business men, farmers and workers that the big work program undertaken last summer in the midst of the business slump would not be curtailed "arbitrarily or violently."

Mr. Roosevelt sided definitely with Chairman Marriner Eccles of the federal reserve board and others who argue that drastic curtailment of government outlays at this time would reverse the business recovery trend, reduce tax collections and push a balanced budget farther away than ever.

Referring to work relief and similar expenditures, he said: "A violent contraction, before the natural expansion of private industry is ready to take up the slack, would mean, not only human misery, but a disruptive withdrawal from American industry of a volume of purchasing power which business needs at this time."

The goal he announced yesterday in another message to the country—a national income of \$80,000,000,000 or more—was brought into the discussion by a table indicating that with such a country-wide income the government's revenue from existing taxes would be \$8,000,000,000 instead of the \$5,500,000,000 predicted for the fiscal year.

"I believe I am expressing the thought of the most far-sighted students of our economic system," Mr. Roosevelt continued, "in saying that it would be unwise either to curtail expenditures sharply or to impose drastic new taxes at this stage of recovery."

"But in view of the addition

to our public expenditures involved in the proposed enlarged national defense program and the program for agricultural parity payments, for which no revenue provision has yet been made, I think we might safely consider moderate tax increases which would approximately meet the increased expenditures on these accounts.

Care Is Asked In Tax Choice
"It should be added, however, that it is my firm conviction that such new taxes as may be imposed should be most carefully selected from the standpoint of avoiding repressive effects upon purchasing power."

It was reported reliably that Mr. Roosevelt wanted congress to provide \$212,000,000 of additional revenue for the farm program and \$210,000,000 for next year's expenditures under the new armament program.

Mr. Roosevelt recommended re-enactment of so-called nuisance taxes, including levies on gasoline, automobiles and tires, electrical energy and lubricating oils, which expire in June and July this year.

He said he did so not because he considered the ideal but because "their collection has been perfected, our economy is adjusted to them, and we cannot afford at this time to sacrifice the revenue they represent."

Mr. Roosevelt also sent to congress a request for a supplemental appropriation of \$375,000,000 to carry on work relief through next June.

Franklin D. Roosevelt, 3, To Be Christened Soon

WASHINGTON, Jan. 5.—(AP)—Franklin D. Roosevelt, 3rd, 8-month-old grandson of the president, will be christened in the White House Saturday afternoon, Mr. Roosevelt said today. Bishop Julius Atwood, a former bishop of Arizona, probably will officiate.

The baby, son of Mr. and Mrs. Franklin D. Roosevelt, Jr., may wear the president's christening dress if Mrs. Roosevelt can find it.

Why Suffer Any Longer?
WHEN OTHERS FAIL, use our Chinese remedies. Amazing SUCCESS for 3000 years in CHINA. No matter what ailment you are AFFLICTED with—disorders, sinusitis, heart, lung, liver, kidney, stomach, gas, constipation, ulcers, diabetes, rheumatism, gall and bladder, fever, skin, female complaints—

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S. S. Fung, 8 years practice in China. Office hours 9 to 6 p.m. except Sunday and Wednesday, 9 to 10 a.m. 128 N. Com'l St. Salem, Ore.

Cleveland Killer Sought in South

(Continued from page 1)

theories. They call me mad and a butcher, but the truth will out. "I feel it is my duty to dispose of the bodies as I do. It is God's will not to let them suffer."

Chief Malawitz wrote that the Cleveland slayer is believed to be a physician with a full knowledge of anatomy. Twelve of the Cleveland victims, over a period of four years, were men. In most instances the heads and bodies were found in separate places. The bodies bore evidence of skillful surgery.

Police planned to spade up tomorrow uncoupled ground in the area mentioned by the writer.

Former Star Divorced

CHICAGO, Jan. 5.—(AP)—Mrs. Constance Talmadge Netcher, former star of the silent screen, was granted an uncontested divorce from Townsend Netcher, wealthy Chicagoan, in a ten minute hearing today.

The 44-year-old prisoner, with

Mooney Is Ready To Take Freedom

Famous Prisoner Hopeful He'll Get Pardon He Long Sought

SAN QUENTIN, Calif., Jan. 5.—(AP)—The seat of a school boy for a week on grandpa's farm showed in the face of Tom Mooney today as he talked of a forthcoming trip expected to lead to freedom forever from charges that he participated in a fatal San Francisco bombing nearly 23 years ago.

Already fitted with a new blue "graduation" suit and with his belongings packed, the world-known San Quentin prisoner held a final conference with Attorney George T. Davis preparatory to climbing in the prison car at dawn Saturday bound for Sacramento and probable pardon.

A hearing is to be held in the state capitol at 10 a. m. Saturday—after which Governor Culbert L. Olson has indicated the gray-haired prisoner will be pardoned immediately if such action is not successfully opposed. No known opposition has developed.

The governor, new in office this year, has long professed his belief that Mooney was innocent.

The 44-year-old prisoner, with

Hats Here, Shoes In Soviet Union

MOSCOW, Jan. 5.—(AP)—Extensive new designs in shoes for women have stirred a storm in the Soviet Russian shoe industry.

Pravda, communist party organ, attributed the following unusual models to a Comrade Pekar, whom it called a "young style maniac."

"Soviet music"—which has an open toe and a treble clef design instead of a buckle.

"Park of culture and rest"—which features a high heel representing a parachute tower and a parachute tower on the toe.

Other models are called "collective harvest" and "North Pole flight from Moscow to America."

Pravda expressed indignation over the designs because the result was \$2,000 rubles (nominally about \$6.50) "squandered" in the central model shop in de-

She Wouldn't Hit A Man, for She's Ever Been a Lady

CHICAGO, Jan. 5.—(AP)—When Mrs. Marie Buckley, 35, divorced Harry Buckley today, accusing him of beating her, she declined alimony and said she could support herself as a gymnasium teacher.

"Then why didn't you hit him back?" asked Judge Philip J. Flanagan.

"I wouldn't hit a man," Mrs. Buckley replied. "I'm a lady."

signing models which Pekar hoped "would revolutionize the shoe industry."

WIN \$250!
We need a slogan for our new gelatin dessert. If you have one, send it to us. We will pay \$250.00 for the best one. Send your entry to: Jolly Joan, 515 S. W. Broadway, Portland, Ore.

HOTEL MARION Dining Service

Mirror Room, Mon. Jan. 9th

From 6 P. M.

For Guests Attending Inaugural Ball

MODERATE PRICES

Make Reservations in Advance

PHONE 4123

Nelson Bros'. Furniture Co.

JANUARY CLEARANCE

Buy Now and Save

Davenport and Chairs
Half price, reg. \$59.00.

Now **29.50**

Reg. \$29.95

Kneehole DESKS
Walnut or maple.

Spec **14.98**

Values to \$29.50

Spring Filled MATTRESSES
Some slightly faded.

Spec **10.00**

Reg. \$42.50
Sealy Tuftless MATTRESSES

America's Finest Mattress

"A Pillow for the Body"

Special **29.50**

Compare Our Prices
We Guarantee to Save You Money

Reg. \$59.50
Twin Bedroom Suite

Only **29.50**

I.E.S.
LAMPS and SHADES
Reg. \$9.95

Now **5.98**

9x12
Felt Base RUGS

Any one in stock, val. to \$8.95

Now **3.99**

Reg. \$15.95 All Hardwood

5 Piece Breakfast Sets
Turned legs, any color.

Spec **10.88**

WE GIVE S&S GREEN TRADING STAMPS

NELSON BROS. FURNITURE CO.

375 CHEMEKETA ST.
Phone 6115

Two Entrances

315 N. LIBERTY
Open Sat. 'til 9 P. M.

BUSICKS

Marion Street -- Kingwood -- Court Street

As is usual the first of the year, everyone around these markets are all afflutter, what with all the new merchandise to be put on display, rearranging of the store to offer more convenient selection of fine foods these stores are noted for, also putting into practice some of the resolutions

each of us have made in regard to giving a little better service and as much for the money as it is possible for anyone to give. Fully believing we can do that very thing we herewith submit a few of the many money saving values you'll find awaiting you at either of these markets.

Salad Dressing
Quart **21c**

Sandwich Spread
Quart **21c**

Dole's Crushed Pineapple
8-oz. cans **23c**

4 cans **23c**

Dole's Pineapple Tidbits
8-oz. cans **23c**

4 cans **23c**

Bakken Sliced PINEAPPLE
No. 2 1/2 size.

2 for **29c**

Dole's Fancy Sliced Pineapple
2 1/2 size

16c 2 cans **31c**

Swift's Brookfield Sharp Spread

Cheese

2 lb. loaf **49c**

Kraft's American Cheese

2 lb. loaf **49c**

Kraft's Brick Cheese

2 lb. loaf **51c**

Athlete PEAS

No. 2 cans Standard Grade. We have 200 dozen of these in stock. To make room for new stock coming in we're going to sell these Peas this weekend, or until stock is exhausted, at—

76c

Per Dozen Cans

Or \$1.49 Per Case of 24 Cans

ORBIS FLOUR

A real good grade of all hard wheat, fancy patent flour.

49 lb. sk. 99c

Kitchen Queen Flour

49 lb. sk. \$1.17

Crown Best Flour

49 lb. sk. \$1.36

U. S. NO. 2

POTATOES

Nice, clean stock.

50 lb. bags 39c

Arizona Grapefruit Fancy Seedless, doz. **23c**

Bananas Fancy, large, firm. **3 lbs. 14c**

Grapefruit Juice No overripes or bruises. **4 cans 29c**

Hershey's Cocoa Tex-Sun, No. 2 cans **4 cans 25c**

Mt. Vernon Milk 1/2-lb. cans. **3 cans 31c**

Armour's Milk 3 tall cans **21c**

Margarine 2 lbs. **23c**

Shortening 4 lb. carton **37c**

Golden West Coffee

1 lb. can **26c**

Hills Brothers Coffee

Lb. can **28c**

Our Meat Department boys are proud of their special displays for this weekend—and not unjustly so either because they really have done themselves proud in selecting some of the finest quality meats we have seen displayed in many a moon. A few of the specials are listed below—all markets.

Light-Weight Sugar-Cured

Breakfast BACON

The kind you'd expect to pay 30c for is priced at only, lb. **23c**

Pure Pork Sausage, country style... **2 lbs. 33c**

Fresh Ham or Leg of Pork, lb. **22c**

As you choose.

Beef Steaks, lb. **23c**

Out from young inspected steer beef.

Sliced Jowl Sugar-Cured Bacon, lb. **19c**

Tender, Lean Pork Roasts, lb. **17 1/2c**

Pork Steaks, lean, pink, tender meat, lb. **19c**

Bacon Back Fat Squares, lb. **10c**

Beef Roasts, nicely trimmed, lb. **14c**

Cut from young government-inspected steer beef.

Extra Standard Tomatoes

Grown and packed in the finest tomato growing district of Oregon. No. 2 1/2 size cans, one lot of 200 dozen to go at this special price—

3 cans

24c

Dozen **90c**

Pure Honey

5 lb. pail **35c**

Calumet

Baking Powder

Lb. cans **20c**

Royal

Baking Powder

12-oz. can **31c**

K. C.

Gold Label Baking Powder

2 lbs. **20c**

Here's an especially nice item we found in our inventory that for some reason has not sold as fast as its merit would seem to justify.

YACHT CLUB

Apricots

15c Size Cans, Special

3 cans

29c

Watch 'em go at this price.

Pure Open Kettle Rendered Lard, 4 lbs. **35c**

Fancy Sugar Cured Lean Loin Bacon Backs, 1/2 or whole **1 lb. 19c**

We Make This Prediction for 1939: You'll Save Money by Shopping These Markets!