

The Weather
Forecast: Cloudy tonight and Friday. Moderate temperature.
Highest yesterday 50
Lowest this morning 44

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Twenty-eighth Year

MEDFORD, OREGON, THURSDAY, JANUARY 4, 1934.

No. 243.

RECOVERY ENFORCES HUGE DEBT



By PAUL MALLON
(Copyright, 1934, by Paul Mallon.)

WASHINGTON, Jan. 4.—Wise financial leaders are interpreting the new budget layout as conclusive proof that Mr. Roosevelt must devalue and inflate.

No matter what the administration says about it, these experts can see no other way for the government to meet its deficit. They had expected the treasury would run heavily into the red this year, but they did not realize how much.

They know what the public does not, namely, that some heavy re-financing must be done in the spring. The course of expenditures now marked out suggests that billions more must be raised.

That is the most important problem the government is facing right now.

Jiggling.
Administration officials are much more optimistic about it than the experts are. The officials are apparently sincere in their belief that they can market an unlimited amount of debt if they handle it right. For one thing there are not many places for people to put their money now.

Also the entire banking structure rests on the maintenance of a large government debt. Under pressure the banks can shoulder considerably more.

There is no question but what this problem is what has held up the budget so long. For days and nights during the past week, Mr. Roosevelt has been jiggling and rejiggering it. He has spent little time on anything else.

Soft Pedaling.
The administration is quietly seeking to soft pedal on college professors.

Several teachers were considered for Senator Wagner's job as head of the NRA labor council. However, the best minds decided that class was probably already fully represented in Washington, and a man from another group would be better.

The desired man could NOT be found.

That is why Mr. Roosevelt insisted that Wagner remain for the time being.

Silver-Lining.
Notably absent from the congressional silver conference was Senator Pittman, who is supposed to be the silver leader.

Those who took charge of organizing the bloc were Senators Wheeler and Borah. Apparently they are to be the new silver leaders now.

The reason for Pittman's absence is clear. He advised and counseled the administration policy. It is largely his handiwork. The Wheeler-Borah crowd wants bi-metalism in a real out-and-out way. They do not like the way Pittman handled things.

Private negotiations are now underway to get Pittman into the fold. In name if not in spirit. On the surface he may go along.

Underneath, however, there will never be complete harmony between these two silver factions. Pittman voted against the Wheeler idea at the last session of congress.

Background.
The Nevada stands as high as the White House now. His work at the London conference drew several private calls on the pack from the President. Also Mr. Roosevelt clearly sought to boost Pittman in the text of his silver statement.

Neither Wheeler nor Borah play very close to the White House. They insist on being lone wolves and they like to howl.

This fundamental background will be important to keep in mind throughout the coming silver fight. The congressional bloc is organizing in an effort to force Mr. Roosevelt into doing something more for them. They cannot do anything except raise Cain, without his assent.

Nursing.
The government performed some private Red Cross work on the little banks in connection with the deposit insurance program.

Two weeks ago the confidential government list showed nearly 600 banks would be unable to make the grade. By the time the announcement was made January 1, there were only 141.

The nursing system used by the government is a secret, but the RFC furnished the medicine. It gave the deposit insurance covered \$200,000,000 for reorganization work.

You can do a lot of reorganizing on \$200,000,000.

The result was a smart success. Doctility.

Congress is made up of a typical cross-section of American life. Some men are brilliant, others ordinary and a few downright stupid.

Individually, 99 per cent of them are a rather good sort. But there is something about them, when they get together, that generates lightning spontaneously. You can never tell when the bolt will strike.

For that reason predictions that they will be docile are necessarily subject to change without notice a month or two from now.

As a general proposition, however, the underlying situation is such that they will probably be an unusually small amount of being throughout the session.

NATION IN RED 32 BILLIONS BY 1935 PROSPECT

Budget Message by Roosevelt Tells of Needs—Party Leaders Differ in Views of Big Govt. Expenditures

WASHINGTON, Jan. 4.—(P)—Congress learned today the recovery program is piling up unprecedented deficits, and forthwith put that problem aside for future consideration to deal with matters considered more immediate.

In a blunt message that told of the government having to borrow ten billion dollars in the next six months, President Roosevelt estimated the public debt would reach a record high of almost \$32,000,000,000 by mid-1935. Nine billion of this would be incurred between now and then.

"Stalling" was the way Speaker Rainey described it, while expressing no worry and praising the President for frankness and cutting "ordinary" expenditures.

"A signal for despair" was the attitude of Senator Dickinson of Iowa, Republican.

Pending committee study of the massive figures, the senate gave attention to war debts and other affairs, asking the treasury to report to it on obligations owed here by foreign nations. The finance committee unanimously approved the nomination of Henry Morgenthau, Jr., to the secretary of the treasury.

The house went to work on the bill to tax liquor at \$2 a gallon. Some members, meanwhile, had their eyes on a petition filed by Lundeen (P-L, Minn.), for cash payment of the veterans' bonus.

LONDON, Jan. 4.—(P)—London financial quarters expressed disappointment today at the absence of fresh light on the American monetary policy in President Roosevelt's message to congress yesterday.

FOOD PRODUCTION NRA CHIEF QUILTS

WASHINGTON, Jan. 4.—(P)—James D. Dole, Honolulu business man, resigned his position as head of the food production section of the farm administration today and promptly issued a statement saying initial supervision of the food codes was a "puzzle."

Dole contended the food codes in no way promoted the aims of the farm administration to raise prices of agricultural products.

All codes, except those having to do with the first processing of farm products, recently were transferred to the recovery administration.

It's Christmas Eve According to Old Rodanthe Custom

RODANTHE, N. C., Jan. 4.—(AP)—Today is Christmas eve in Rodanthe and tonight the Santa Claus of old Christmas will fill stockings for grown-ups and the kiddies.

The residents of this isolated spot on the outer banks of North Carolina prepared to spend the day as a holiday just as outsiders celebrated Christmas on December 25.

It has been the custom here for generations to regard tomorrow as "old Christmas," but there is no reference to such a day in church history.

Even oldest residents here do not know how they came to observe January 5 as Christmas, but it is an old Rodanthe custom, handed down from generation to generation and so far as Rodanthe is concerned, tomorrow is Christmas.

FRENCH PLANE CROSSES SEA TO INAUGURATE RUN

NATAL, Brazil, Jan. 4.—(AP)—The great French flying boat "Southern Cross" arrived here early today, completing an Atlantic crossing from Saint Louis, General.

The plane landed at 7:10 o'clock local time, 2:19 a. m. P. S. T., for a flying time of 18 hours, 17 minutes for the 1970 miles.

The four-motored hydroplane is the French entry in a race with Germany to set up the first trans-Atlantic air mail line between Europe and South America, via Africa.

Within two months the French government hopes to initiate daily

Roosevelt Says Upturn In Business Will Later Care for Heavy Expense

President's Budget Message Recounts
Need of Bolstering Recovery
Ordinary Expenses Slashed

By FRANCIS M. STEPHENSON.

WASHINGTON, Jan. 4.—(AP)—President Roosevelt frankly reported to congress today a prospective nine billion dollar recovery campaign deficit for the next two years and asked that the id be clamped down to put the government on a pay-as-you-go basis by 1936.

In his message transmitting the budget, he estimated expenditures chargeable entirely to the recovery effort at \$2,500,000,000 for this fiscal year during June 30.

He asked for a two billion war chest to continue and taper off this drive in the following year.

Must Borrow Ten Billion.
All of this, he said, involves government borrowing of ten billion dollars during the next six months, but he expressed no doubt of meeting this problem.

The nine billion deficit, which

would swell the public debt to the all-time high of \$31,834,000,000 does not take into account prospective new taxes from liquor revenue and plugging of income tax loopholes. There was no recommendation for new taxes.

The executive did recommend restoration of one third of the 15 per cent cut in pay for federal employees, effective July 1, and favored continuation of the three-cent non-local mail rate.

As in his personal address in the house chamber yesterday, Mr. Roosevelt spoke optimistically of the business outlook.

Recovery Forces Working.
"Powerful forces for recovery exist," he said. "It is by laying a foundation of confidence in the present and faith in the future that the upturn which

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TRANSIENT CAMP AT TALENT WILL HOUSE HUNDRED

The county camp to be maintained in this vicinity in conjunction with the nation-wide program underway to keep transients off the railroads and highways, will be located at Talent, it was learned today.

Transients will be transported to their homes after care reports are made on each. If they are without homes they will undergo physical examinations, after which they will be sent to the county camp, where they will be provided with board and a place to sleep, in exchange for work. The Ames building will be occupied for this purpose in Talent.

An early opening of the transient station in the old church building on North Bartlett here, was also forecast today. Considerable work will be necessary, however, to get the place in order.

The depots are being established to handle the transient problem, which has been one of long standing in the nation, and the railroads are cooperating in the move by placing rigid restrictions upon the use of their properties for free transportation. The rulings went into effect January 1.

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KLAMATH SEEKS AIRPORT FUNDS

PORTLAND, Ore., Jan. 4.—(AP)—Applications for airport improvements at Klamath Falls and for construction of a field at Hood River were being examined here today by Lieutenant Basil B. Smith, department of commerce, aeronautics division engineer, working with the CWA state office.

The Klamath Falls application, involving an expenditure of about \$10,000, calls for improvements of runways and drainage system and extension of the present field.

The Hood River project, to cost about \$4000, calls for a temporary airport there.

ROOSEVELT NOMINATES
100 NEW OFFICIALS

WASHINGTON, Jan. 4.—(AP)—President Roosevelt sent to the senate today the nominations of more than 100 government officials named in office during the recess of congress, including Henry Morgenthau, Jr., of New York, to be secretary of the treasury.

FRENCH CALLED CHEATS, MISERS IN RUM DEBATE

WASHINGTON, Jan. 4.—(AP) Calling France "a nation of cheaters" and "defaulting misers," Representative Britten (R., Ill.), in the house today demanded that an embargo be placed on French wines and that President Roosevelt call upon that nation to pay its debt installments.

Britten made his remarks in debate on the liquor tax bill. He urged the ways and means committee to insert in the measure "a complete embargo" against French products as long as that nation "continues to default in its payments."

"France ought to be brought to time," said Britten as he was loudly applauded by both Democrats and Republicans.

"The Frenchman is a cheat because his government is a cheat," "President Roosevelt is the man who should use the language of Washington, Adams and Jackson to demand that France, referring to the historic demands these presidents made to that nation to fulfill its obligations to the United States.

"He should use the same tactics against France that France used against Brazil. When Brazil said she was unable to pay her interest installment to France, France slapped an embargo on Brazilian coffee and France is a coffee drinking nation."

Representatives of the cities of Klamath Falls, Grants Pass, Ashland, Talent, Gold Hill, Phoenix and Medford were in attendance at this afternoon's meeting at the city hall, following the luncheon at the Hotel Medford.

The meeting was opened with an address by Herman Kehrl, director of the bureau of municipal research and service at the University of Oregon, who described the workings of the PWA.

Mayor E. M. Wilson, who presided at the meeting read a telegram from Mayor Willis E. Mahoney of Klamath Falls, expressing regret at his inability to attend the meeting.

City Attorney Frank Farrell of Medford is president of the league and today is its first meeting held in this city, and the third conducted in the state.

COUNTIES ESCAPE INSANE EXPENSE

SALEM, Jan. 4.—(P)—Counties will be relieved of responsibility for care and maintenance of non-violent insane patients March 10 of this year, following an amendment approved by the special legislative session, an opinion handed down today by Attorney-General I. N. Van Winkle held.

The amendment to the act was originally passed by the regular 1933 session, but was vetoed by the governor. The bill passed in the recent session over the governor's veto. Previously counties were responsible for maintenance of these inmates.

The opinion was requested by William Einzig, secretary of the state board of control, which has charge of collections of these funds.

WASHINGTON, Jan. 4.—(AP)—The public works administration today allotted \$38,294,237 for 167 non-federal projects.

These allotments together with a similar number to be announced later in the week will virtually exhaust the remaining funds from the original \$1,300,000,000 public works money.

Some of the allotments were made as loans and grants, the loans to be repaid with interest at 4 per cent, the grants representing 30 per cent of the cost of labor and materials.

The allotments included:
In Oregon:
Corvallis, loan and grant, school \$307,750; Bendon, grant, gymnasium \$1000; Drain, loan and grant, water, \$21,900.

Nine hundred persons were served a dinner of mutton meat at a banquet of Alaska-Tukon property in Seattle.

LEAGUE OF CITIES CONFERENCE HERE DISCUSSES LIQUOR

Definite Stand On Recently Adopted Knox Bill Expected Result—Kehrl Describes Workings of PWA

The League of Oregon Cities, in conference here this afternoon moved into discussion of the Knox bill at 2 o'clock, while an audience of dieters and distributors of beverages and other interested people awaited action on the much-discussed bill and the home rule clause, for retention of which Klamath Falls is now waging a fight in the courts.

Briggs Explains Bill.
The bill was explained by Wm. Briggs, consultant for Oregon cities, among those present from Eugene. No action regarding the league's stand on the legislation had been taken when The Mail Tribune went to press, but a definite stand was anticipated.

Medford and other cities, it was understood this morning, postponed action regarding the constitutionality of the bill, awaiting the outcome of today's conference.

The Knox bill, Mr. Briggs described as "more strict than any ordinance a city would pass." He stated that it would not be impossible for cities to impose additional licenses if the traffic would bear the same. He also stated that there was nothing in the Knox bill to prevent them levying a stamp tax.

The license fee, provided in the Knox bill, however, he described as higher than that any cities would probably charge under individual ordinances.

History Reviewed.
He reviewed the history of the bill, showing when the return or permit fees to the cities was eliminated and the protest following, which was expressed in a barrage of telegrams to the legislature.

The conversion of permit fees from the city channel in conjunction with House Bill No. 14, takes the revenue from the cities. The Knox bill also attempts to repeal all ordinances and laws in existence which conflict with its provisions. Whether or not this can be done has not been proven, Mr. Briggs stated, adding, however, that the opinion about the legislature was that the courts would uphold the Knox bill.

Cities Represented.
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WASHINGTON, Jan. 4.—(P)—The proposal for free coinage of silver was laid before President Roosevelt today by Senators Wheeler of Montana and King of Utah, who declared themselves "very satisfied" with the interview.

Eighteen house members from western states today voted for bi-metalism and agreed to appointment of a special committee to attempt to harmonize divergent views of other groups on silver legislation.

The senators declined to predict presidential approval of their plan, but did indicate they expected further moves on silver by the President.

PWA ALLOTMENTS ARE ANNOUNCED

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FRANCE SHAKEN BY FRAUD REVELATION

PARIS, Jan. 4.—(AP)—France was shaken today by charges that ten to twenty million dollar frauds have been revealed by the collapse of the Credit Municipal Bank of Bayonne, which was the city's pawnshop, and the disappearance of its mysterious founder, Serge Stavisky.

The manager of the institution was jailed December 30 and a warrant was issued for Stavisky in connection with the recent alleged issuance of unauthorized bonds.

SEARCH OF DEBRIS ADDS SIX VICTIMS TO TOLL OF FLOOD

Known Dead in California Now Placed at 42 — 72 Others Listed As Missing—Horror Scenes Bared

LOS ANGELES, Jan. 4.—(P)—Six more victims were added to a growing list of dead in the southern California flood of New Year's day as searchers prodded grimly through piles of debris today, bringing the death toll to 42.

Official reports contained the names of 72 other persons marked as missing and fear grew that many of them might be dead as the hours passed with no word of their whereabouts.

The possibility that it might be days before the final cost of human life exacted by the mad rampage of waters would be known increased after engineers had made a close study of the flood swept sections.

Much Work Ahead.
P. P. Pederson, assistant construction engineer of the road department, said the work of removing the debris and wreckage in the Montrose area, where the greatest damage occurred, would require about three months, and that it would be two months before one of the principal streets, Rosemont, could be cleared. Reconstruction of this street alone will cost \$500,000, he said.

There is a likelihood, officials

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TWO TORNADOES HIT PENSACOLA INJURING MANY

PENSACOLA, Fla., Jan. 4.—(AP)—Two separate tornadoes struck Pensacola this afternoon, one tearing along the waterfront and the other twisting squarely through the city, injuring at least nine persons, one child probably fatally, and demolishing about 35 residences.

Three-year-old Marion Kenneth Rigby was critically injured and was expected to die.

Four members of a family named Crane were taken to a hospital injured in varying degrees, but none considered critically.

Three negroes, Better Baldwin, Elizabeth Morris and James Dexter, also were hurt.

Two white persons, whose identity was not immediately established, also were carried to hospitals.

Probably 100 houses were damaged aside from those destroyed.

One twister either blew itself out or passed into the gulf, but the other last was sighted three miles north of the city, heading in the general direction of Alabama.

The Bruce drydocks were torn from their moorings by one of the tornadoes.

The freakish winds came up unexpectedly, each taking a decidedly different path.

ASHLAND CROSSING TO FOLLOW FIRST PLANS

The recent order of the public utility commissioner relative to the underpass crossing north of Ashland on the Pacific highway has been filed with the county clerk, and means that the crossing will be built "approximately as originally proposed."

Following a conference between the Southern Pacific and the state highway commission, the route was agreed upon, in conformity with the straightening of the Pacific highway.

The highway has been constructed, but has been closed for several months, pending a decision in the overhead crossing question.

FIRE ADDS TO HORROR IN COAL MINE DISASTER

DUGHOF, Czechoslovakia, Jan. 4.—(P)—Wives and children who authorities fear are widows and orphans, slouched today at the faint hope that 120 miners imprisoned underground by a blast in the "Nelsson III" coal mine may yet be alive.

Only four men, choked with gas and exhausted, had reached safety, and 16 bodies had been recovered of the 140 men in the workings when an explosion crested in the mine.

A fire which broke out over night had been blocked off and rescue workers had cleared away much of the wreckage which barred them from the underground passages.

Held in 'Ouija' Killing



Mattie Turley, 15, (top) was held by juvenile authorities at St. Johns, Ariz., after pleading guilty to an attempt to murder her father, Ernest Turley, 47, so that "mother could marry a young cowboy." Turley, shot twice, died and a murder complaint was prepared against Mrs. Dorothea Turley (lower) who, authorities said, influenced Mattie to shoot him. The girl said "the ouija board wrote out that I was to kill my father." (Associated Press Photos)

LOAN ASSOCIATION FORMED HERE TO BRING FARMER AID

Steps were taken today for the formation of a loan association for Jackson, Josephine and Curry counties, under the provisions of the Production Credit corporation, a federal bureau formed to give financial aid in agricultural production.

Dairymen, stockmen, fruitmen, farmers to the number of 250 gathered in the court house auditorium to discuss details and hear explanations by W. E. Williams of Spokane, vice-president of the corporation. E. W. Carion, president of the Production Credit corporation, was chairman. County Agent R. G. Fowler, secretary.

At the session this afternoon election of nine temporary directors from the three counties and a temporary secretary was scheduled.

Following the formation of a temporary organization, application for charter will be filed with Washington, D. C., and when received the district association will be ready to function.

The Production Credit corporation, it was explained, was formed to perform the work of the Farm Credit administration and provide permanent credit. Loans, Mr. Williams stated, would be made on crop production, not the land, and all the branches of agriculture could apply. It was declared that it was "a sort of co-operative proposition—all being interested in the success of a loan and its benefits."

Mr. Williams said one of the objectives in extending loans was not to "make it too large, or too small, but just enough. An over loan is as bad as an under loan," he said, citing cases where loans were too small and had been increased, and when too much they had been reduced. The main idea was to insure the producer of sufficient capital to make a success of his production, and not be cramped at the finish by inability to market his crop.

Details of the plan were discussed at great length and Mr. Williams answered all questions. Among local agriculturists who asked questions were Court Hill, Col. Gordon Voorhies, C. C. Hoover, Walter J. Jones and Sidney Richardson.

There were residents of Josephine and Curry counties present. It was one of the largest attended farm meetings in several months.

Oregon Weather
Cloudy tonight and Friday; light rains northwest portion; moderate temperature, fresh becoming; south wind offshore.

DANCING SPOOK ONE OBSESSION OF ALLEN'S AUNT

Mary Allen Towle Tells of Alleged Hallucination of Rich Aunt — Allen Denies Seeking Will Favor

LOS ANGELES, Jan. 4.—(AP)—A "pet spook" that danced along the sill of a window in the form of a "blue flame," was one of the obsessions of Margaret Keith, wealthy spinster, her niece, Mary Allen Towle, testified in superior court, where a contest to the million dollar estate of Miss Keith is being prosecuted.

Mrs. Towle, one of the contestants in the case which has been on trial for several weeks, said she heard about the ghost when she went to live with Miss Keith in her Venice home in 1922. Mrs. Towle, with a brother and sister of Miss Keith, claims she was of unsound mind when she bequeathed the bulk of her estate to Albert C. Allen, Jr., Central Point, Oregon, orchardist and brother of Mrs. Towle.

Allen denied that he had written affectionate letters to his aunt in seeking her favor in her will. She committed suicide last spring in her Palo Verde mansion, presumably in fear over approaching blindness.

LOS ANGELES, Jan. 4.—(AP)—The antipathy of Miss Margaret Keith toward a movie director neighbor's children and his chauffeur, and her suspicion of sea gulls, were described today in trial on the suit to break the late millionaire's will.

Mary Allen Towle, niece of Miss Keith, who killed herself with an anesthetic several months ago, testified that the middle-aged spinster described as "a noly brat," the children of "a movie director named Ray" who was a beach neighbor of hers at Venice, Calif., in 1923.

Mrs. Towle testified that her aunt once said she would give \$5000 if someone would build up the Ray chauffeur for her, because "he's after my body."

Miss Keith also objected to sea gulls flying about her house, considering them manifestations of evil spirits, the witness said.

An unusual admiration for Japanese also was attributed to Miss Keith by her niece, who told of an Oriental trip the former made in 1917.

"After she returned," said Mrs. Towle, "she told us she did not travel in rickshaws while in Japan because she said it was not fitting that such a fine spiritual people as the Japanese should be employed to drag 'white trash' around."

BENEFIT DANCE FOR ST. MARY'S TEAM

The St. Mary's all-star basketball benefit dance, previously scheduled to be held in the parish hall, will be conducted in the Knights of Pythias hall Friday evening at eight o'clock, it was announced today. Proceeds from the dance will be used to buy equipment for the squad.

SOUTH FORK CCC WINS FROM BUTTE FALLS

South Fork of Rogue River CCC camp last night defeated the Butte Falls town basketball team, 42 to 20, at the Butte Falls high school gymnasium. Davidson and Giddard starred for the CCC, with Pinkstaff, Gehard and Norris being the other members of the team.

WILL ROGERS says:

BEVERLY