

The Weather

Forecast: Cloudy Sunday with moderate temperature. Highest yesterday 43. Lowest yesterday 36.

MEDFORD MAIL TRIBUNE

MEDFORD, OREGON, SUNDAY, JANUARY 7, 1934.

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Twenty-eighth Year

No. 245.

SAMMIS APPOINTED LIQUOR CZAR



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

WASHINGTON, Jan. 6.—The boys who know their numbers noted that Mr. Roosevelt was excessively melancholy about this year's budget.

He gave himself every possible break in figuring out that he would be seven billions in the red next June 30.

It could not have been a slip of the pen when he estimated that the RFC would spend more than three billions in the next six months.

To make that estimate he counted commitments on which advances may never be made.

Also he openly underestimated his receipts by not counting expected revenue from liquor and administrative changes in the income tax law.

Furthermore he piled \$1,116,000,000 more on the deficit AFTER the treasury had completed the budget and sent it to him for approval.

The number boys believe it is more logical to expect a deficit nearer four billions than seven billions.

Strategy. They qualify that prediction by saying it will work out that way unless Mr. Roosevelt has some sensational new plan for getting rid of money which he is not yet telling anyone about.

They do not believe they can detect a very shrewd strategy behind the pessimism.

Congress always seems to spend money. Already bills are being introduced proposing ten billions and even twenty billions more for public works.

There were more bills introduced the opening day urging the restoration of veterans' cuts than there were on any other subjects. If let alone, congress would spend all the money there is in sight and some which isn't.

By brooding a melancholy budget tune, Mr. Roosevelt is throwing a scare into congress. He specifically points out that the government must borrow ten billions, a staggering sum.

Mr. Roosevelt's record indicates he was smart enough to have figured that all out ahead of time.

Optimism. The only glimmer in that policy is the possibility that he may scare everyone else, including the government bondholders.

He took care of that danger by a very optimistic outlook on the budget next year and a promise to balance it in 1935. He assumed the supremely happy position that he would be able to cut out nearly all the relief appropriations next year when most of his friends privately believe he cannot possibly retrench that much.

His next year's deficit at only two billions, on that basis.

Existing prospects are strong that it will be more than that.

Also you will note that the balancing year is the third one and a long way off.

Skill. In every little way Mr. Roosevelt's budget is astounding.

It is customary for administrations to minimize their estimates of expenditures and magnify their expected receipts. That leads everyone to believe they are doing a business-like job. To be so frank and pessimistic, Mr. Roosevelt violated all tradition.

In addition he very coolly avoided any commitments on his money policy or any other policy. He specifically said he would have to "borrow" the money for the deficit. Nowhere did he hint that he expected to get the three billions in profit for the treasury to be derived from dollar devaluation.

Borrowing 10 billions is a big job, especially when six billions of it is new debt. The wise boys believe that after he gets rid of congress he will have to devalue. So when he winds up his fiscal year in June he may find the financial condition of his country is that half as bad as he thought it would be. Then he can point with pride.

Debt. Similarly unusual was the fact that the president made no effort to conceal the expected increase in the public debt. He estimated it would be \$1 billion by June 30, 1935.

That means it will be five billions more than the peak of our world war debt. The biggest debt we ever had was \$6 billion in August, 1917.

Also it means Mr. Roosevelt will have increased the debt more than 30 per cent during the first three years of his term. When he came into office it was 20 billions.

Cher. The best real news in the budget is the hidden prediction it makes on business recovery.

The government statisticians had to prophesy the extent of business prospects specifically in order to compute expected tax revenues. They figured industrial activity at an index of 79 for the first half of 1934.

That compares with the existing index of 73 and means in a general way that they expect about an average 6 per cent improvement in business this year.

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OUTLINE SYSTEM OF STATE SHOPS BY END OF WEEK

Plan to Have Retailers Act as Temporary Agents Undecided—Name Organizer and Sales Accountant

PORTLAND, Ore., Jan. 6.—(AP)—George L. Sammis, administrator for the state liquor control commission, will tentatively outline a system of state retail bottle houses and then call the commission to discuss the plans with him.

Chairman George H. McMorran said here tonight. The commission called a week of conferences here tonight by naming Sammis liquor administrator and announcing the following administrative heads:

Aaron Holtz of Portland, organizer; Arch J. Tourist of Eugene, accounting system manager, and George Neuner of Portland, formally confirmed as liquor control commission attorney.

The proposal to have retailers act as temporary agents until state liquor stores could be placed in operation, McMorran told the Associated Press.

He said the commissioners would discontinue their meetings until called together by Sammis, probably late next week.

Commission members indicated they would be content to establish the main liquor office wherever the law prescribed. However for a matter of convenience the commission might continue to meet in Portland, more centrally located for the members.

Oregon's first liquor administrator has been engaged in business here for several years as vice-president and manager of the Sunset Electric company.

"He comes into his activity (administration) highly recommended by many of the leading business interests in the community," said McMorran. He has lived in Portland 14 years, is an overseas veteran and was born in Iowa.

Mr. Holtz is a recent department store executive. Chairman McMorran explained that Holtz' services "were secured by the state through the cooperation of Kenneth Dawson of the State Steamship company, who is absorbing a part of the expenses that the state might have the benefit of Mr. Holtz' large business and organization background."

Touristlette is a Portland accountant. George Neuner was back before the commission today, smiling despite bandages from injuries in a recent automobile accident. Neuner is well-known in Oregon political circles. He has served as a state legislator, Douglas county prosecutor and later United States district attorney for Oregon.

BILLINGS DENIED PLEA FOR PAROLE; ROLPH IS BLAMED

POLSOM PRISON, Jan. 6.—(AP)—The parole application of Warren K. Billings who was convicted with Thomas J. Mooney for bombing the 1918 San Francisco preparedness day parade, was denied today by the state board of prison terms and parole.

The board issued a prepared statement, concluding with these words: "Because of his past criminal record and the gravity of his offense, this board believes the application for parole should not be granted."

Billings asserted he was not surprised at the adverse action of the board.

"I think that if the matter were left to the decision of the parole board without directions from 'higher ups,' the board would have granted me a parole."

Asked whether he had in mind Governor James Rolph, Jr., considering the fact the governor had denied a pardon to Mooney, Billings replied: "Yes, I guess so. I think the governor's feelings toward the Mooney case had some bearing on my case."

LOAN GRANTED ON OREGON BRIDGES

WASHINGTON, Jan. 6.—(AP)—Senator Steiwer (R., Ore.) said today he had been advised by the public works administration that \$1,000,000 had been allocated as a loan and grant for construction of five high-way bridges along the coast of Oregon.

Steiwer said the allotments were as follows: Alsea Bay span, \$711,000; Cook Bay and Yaguina Bay, \$3,384,000; Stikine and Umpqua rivers, \$1,000,000.

MUST DEFEND SEAT IN HOUSE



Mrs. Bolivar E. Kemp, auburn-haired storm-center of the fight for a seat in the house of representatives from Louisiana's sixth district, is shown in Washington as she denied she was a Huey Long candidate. (Associated Press Photo)

CONGRESS GIRDS FOR OPPOSITION TO SPENDING BEE

Public Opinion Alone Can Halt Expenditures, As Solutions Dominated—Liquor Bill Comes Up This Week

WASHINGTON, Jan. 6.—(AP)—Republicans began their promised bombardment of the Roosevelt budget today as the senate and house took time off and prepared for the contests to come.

With both houses in recess until Monday and committees and leaders busying themselves for next week's grappling with liquor taxes, the St. Lawrence waterway treaty and appropriation measures, a mid-western senate Republican gave the cue to the opposition plans for fighting liquor.

In a statement, Senator Patterson (R., Mo.) said President Roosevelt's estimate of a deficit of more than \$7,000,000,000 this year made it obvious that "we are traveling along the road to financial ruin."

"Both branches of congress are so overwhelmingly under the control of the administration," he asserted, "that only an aroused public opinion can stop the wild orgy of spending now going on."

Democratic leaders retorted that the president's budget message was a frank statement of conditions brought about by essential emergency spending, that the budget was nearly balanced and that by 1936 both ordinary and emergency appropriations would be on a pay-as-you-go basis.

During the informal budget debate, Chairman Harrison of the senate finance committee announced his group would meet Monday to expedite the liquor tax bill, but started a round of discussion by saying it would give "very serious consideration" to the plan for a \$2.50 tax with a credit of 20 per cent to states that refrained from enacting gallonage levies.

The liquor tax bill probably will not reach the senate floor until mid-week. Meanwhile, the senate will act on nominations, including that of Henry Morgenthau, Jr., as treasury secretary, and may begin consideration of the controverted St. Lawrence waterway treaty with Canada.

BYRD SAILS FROM ICE PACK LAKE

ABOARD ADMIRAL BYRDE FLAGSHIP ENROUTE TO LITTLE AMERICA, Jan. 5.—(AP)—Via Mackay Radio—Pearing further delay in this region might jeopardize the entire program. Rear Admiral Richard E. Byrd today had the flagship of his Antarctic expedition heading out of the ice in the ice pack where she had lain since Monday.

Further explanations in this region, the admiral decided, might increase the risk of the ship in the ice pack. So from a position of latitude 69°25' south, 116°40' west, the ship moved her way slowly and carefully on the start of the remaining 3,000-mile journey to the expedition's main base.

Ben Radio Ads.

BERLIN, Jan. 6.—(AP)—Although official orders apparently have not been issued to ban radio advertising in Germany, the newspaper Volkischer Beobachter said tonight the advertising council of the German Economic Federation proposed to eliminate in the future purely private advertising.

FEDERAL GAMBLE ON COTTON LOAN

WASHINGTON, Jan. 6.—(AP)—The senate agriculture committee today gave its approval to the lending by the government of another \$100,000,000 under an arrangement similar to that by which cotton and corn producers already have borrowed \$150,000,000.

Farm administration officials frankly said the loans were a gamble, since the government took all the risk. They pointed out, however, that a loan prerequisite was that borrowers agree to join in the 1934 cotton and corn reduction program. This insures that thousands of producers will take part in the campaign to reduce cotton acreage this year by 40 per cent and corn by 20 per cent.

Underhill has been held under federal orders in connection with the killing of four officers and Frank Smith, federal prisoner, at the Kansas City Union Station last June.

He is under life sentence in Oklahoma and Kansas for murders and had escaped from the penitentiaries in both states.

SEE ACTION SOON IN SOVIET TRADE

NEW YORK, Jan. 6.—(AP)—Speed of the first soviet ambassador to the United States, Alexander A. Troyanovsky, in arranging to present his credentials in Washington was taken tonight in well-informed circles as an indication of quickly-forming developments in Russian-American trade.

The liner, Washington, bearing Troyanovsky and William C. Bullitt, the American ambassador to Moscow, was due to drop anchor at quarantine around midnight.

Day in Congress

By the Associated Press. Speaker Hines left a White House conference with word that the house would keep "absolutely within" the Roosevelt budget.

Earle Biddle, New York banker, resigned as special assistant to Secretary Morgenthau of the treasury.

The public works administration allotted \$58,250,000 to projects in 41 states.

Federal reserve authorities said federal reserve gold couldn't be commandeered by the treasury without an act of congress.

CHICAGO SUPPLY OF MILK LOW AS STRIKE TIGHTENS

18,000 Angry Farmers Picket Highway—Blame 'Chiselers'—Local, Up-state Situation Unchanged

CHICAGO, Jan. 6.—(AP)—A milk embargo, marked by violence and threatening the city's comfort and health, tightened around Chicago tonight as 18,000 angry farmers picketed highways and defied their neighbors' attempts to deliver milk.

Chicago and scores of towns surrounding it within a radius of 100 miles were menaced with a milk shortage by Monday. In some of the towns, dairy companies announced they would be unable to make Sunday deliveries.

Thousands of gallons of milk were dumped on highways, and countless farmers in Illinois, Wisconsin, and Indiana refrained from marketing their milk or were restrained by neighbors from doing so.

Even the big dairy companies of Chicago admitted their supplies had been cut down seriously.

Only dairies supplying hospitals and other institutions were allowed to obtain their quotas from farmers. Steps were taken, also, to assure adequate supplies for infants.

Leslie G. Goodie, negotiating with the dairies for the union, said he believed the companies had been unfair to both the farmers and the drivers. Officials of the PMA, however, placed blame for the strike on the shoulders of small, independent dairies (not members of the Chicago milk council) which sold on a cut rate cash-and-carry basis and refused to abide by the milk marketing agreement reached last summer under the agricultural adjustment act.

The Medford milk situation, over which the State Milk control board assumed jurisdiction Friday, setting prices to be followed, remained little changed yesterday. One depot, which had increased its price, was reported complying with state order, while the other was understood to be still selling milk at 25 cents a gallon. The state board demanded an increase to 30 cents.

Word was received from the north, announcing the early arrival here of E. G. Harlan, chairman of the control board. Local officials are taking no action in the matter, which is entirely in the hands of the state board.

PORTLAND, Ore., Jan. 6.—(AP)—A temporary milk price basis, to be in force pending further investigation, was announced here today by the Oregon State Milk control board. The prices are virtually the same as those now in effect.

Prices fixed by the board, which was created by the state legislature at its recent special session, were scheduled to go into effect Tuesday morning.

HONOLULU HONOR MURDER LADY TO GET RENO DIVORCE

WASHINGTON, Jan. 6.—(AP)—The marital affairs of Lieutenant and Mrs. Thomas Massie, which figured prominently in the sensational murder trial of the naval officer and others in Honolulu last year, headed today for the Reno divorce courts.

Mrs. Massie, alleged victim of an assault that preceded the slaying of a Hawaiian in 1932, announced she would leave tomorrow for Reno to institute divorce proceedings against her husband, who at present is stationed aboard the U. S. S. Oklahoma, at San Pedro, Cal.

"I would like to emphasize," Mrs. Massie said, "that the divorce is being obtained at the insistence of Lieutenant Massie. I am personally reluctant to take such a step as I am opposed to divorce."

"The divorce proceedings are in no way connected with the Honolulu trial of April, 1932. Following the granting of the divorce, I will return to Washington, where I will make my residence, entering employment."

Mrs. Massie, the daughter of the socially prominent Mrs. Granville Portesque, has been separated from her husband for several months and has been living here.

TOUGH UNDERHILL TO PRISON CELL WITH 13 BULLETS

McAlester, Okla., Jan. 6.—(AP)—Wilbur Underhill, southwestern desperado, died in state's penitentiary at 11:42 o'clock tonight.

SHAWNEE, Okla., Jan. 6.—(AP)—Wilbur Underhill, wounded desperado, was put into an ambulance at city hospital here today and started to leave the hospital and start the journey to McAlester with an escort of eight heavily armed officers.

Considerable improvement was reported in the condition of Underhill, who was shot and captured here a week ago. At first physicians believed he would die from the 13 bullet wounds in his body.

Underhill has been held under federal orders in connection with the killing of four officers and Frank Smith, federal prisoner, at the Kansas City Union Station last June.

He is under life sentence in Oklahoma and Kansas for murders and had escaped from the penitentiaries in both states.

WAR RESUMED ON PARAGUAY FRONT

BUENOS AIRES, Jan. 6.—(AP)—Paraguay and Bolivia were ready tonight to resume their age-old conflict over the Gran Chaco in the belief an 18-day armistice would not be extended.

Soldiers prepared to recommence hostilities interrupted December 19 by a truce obtained through mediation efforts of the Pan-American conference and a league of nations conciliation commission.

The commission, seeing no hope for effecting another delay, began considering ways of continuing peace negotiations after renewal of fighting in the border area.

WEIGHING FUTURE OF NEW YORK



In power for 16 years, Tammany Hall released its grip on the New York City Hall to Fiorello H. LaGuardia, who is shown at left deeply engaged in conversation with the retiring mayor, John P. O'Brien, as he assumed his official duties. (Associated Press Photo)

NEW YORK, Jan. 6.—(AP)—Mayor Fiorello H. LaGuardia, denied dictatorial powers over the city's government by Governor Herbert H. Lehman, said today he never "ran away from a fight," but there were indications of his willingness to accept a compromise.

"Do not forget that February 1 is creeping on me fast, and I must balance the budget," said LaGuardia, the governor's 2500-word letter denying him the requested powers spread on his desk in city hall.

"If anyone can give me something to balance the budget I will jump at it."

It was to balance the budget—\$35,000,000 off balance—that LaGuardia asked the unprecedented powers, including the right to eliminate departments and to slash salary schedules.

From Albany came indications that the governor's attack on LaGuardia's plea for the dictatorial powers had effectively doomed the mayor's plan. Legislators expected, however, that the mayor and Democratic leaders would evolve a compromise giving LaGuardia limited powers to readjust the city's budget.

Farm Chief Says Constitution Lost; Farm Plans Fails

WASHINGTON, Jan. 6.—(AP)—Milo Reno, president of the National Farmers' Holiday association, said today: "Even Secretary Wallace is smart enough to know the administration's farm program won't work."

The toule-haired leader of mid-western farm strikes said his only mission in Washington was "to help President Roosevelt and congress locate the constitution of the United States, which they evidently have misplaced somewhere."

Reno claimed the plan for reducing production of farm crops was a "unworkable, impracticable and 'pregnant with future troubles.'" He described the farm administration's provision for loans on stored corn as "a bribe to get farmers to sign the corn-hog contracts before they even saw them."

WASHINGTON, Jan. 6.—(AP)—Harry Hopkins, civil works and relief administrator, today separated Governor Talmadge of Georgia, whom he has accused of "headline hunting" and "yapping" from all authority and association with the civil works and relief administration in the southern states.

The administrator dissolved the Talmadge appointed civil works relief board and announced he would direct the work from Washington with Miss Gay Shepperson acting as his representative in Georgia.

Relations between the governor and Hopkins became strained when Talmadge criticized civil works policies several weeks ago.

Talmadge said wages were too high and that as a result people were being hired from farms, thereby threatening a shortage of farm labor when the planting season arrived.

Hopkins replied: "All that guy is after is headlines. He never contributes a dime, yet he's always yapping. Some people just can't stand to see others making a living wage."

Shoren, Hopkins' statement, Talmadge commented only that "I don't refer to him as 'that guy.'"

ARKANSAS PASTOR FREED OF MURDER IN CHURCH FIGHT

PIGGOTT, Ark., Jan. 6.—(AP)—A circuit court jury early tonight speedily acquitted the Rev. Dale S. Crowley, 34-year-old Baptist minister, in his trial for murder in the slaying of J. W. MacMurdo, janitor of the Jonesboro Baptist tabernacle, in an outgrowth of a bitter fraternal church fight.

Crowley pleaded self defense, asserting he shot MacMurdo after the 68-year-old janitor had refused to leave the tabernacle and shoot him. The jury reached a verdict in three minutes. The trial was transferred here on a change of venue due to bitter feeling at Jonesboro.

As soon as the verdict was read Crowley and his pretty red-haired wife shook hands with each other.

Crowley, who had been recognized by the chancery court as legal pastor of the tabernacle only two or three days before the slaying, told newspapermen he still was the pastor and would continue his religious work there.

LYING NOTED IN PROBE OF BANKS

WASHINGTON, Jan. 6.—(AP)—Evidence from the Detroit banking inquiry, being assembled today by Ferdinand Pecora's staff, disclosed an order from the comptroller of the currency in the fall of 1931 that all national bank examiners exercise leniency.

The order was in the form of a telegram from J. W. Pole, then comptroller, to Alfred P. Leyburn, former chief national bank examiner at Chicago.

Leyburn's statement in connection with submitting a copy of the telegram said: "It was the policy of the administration, who were hoping for better times, to exercise leniency."

Leyburn's statement criticized the one-man grand jury that conducted an investigation into the closing of the banks last summer as a "travesty on American justice." He said "It has no legal standing and from the careless way in which the truth was handled by witnesses, they must have been aware they could not be cited for perjury under this court."

Ve Old Pork Bar? WASHINGTON, Jan. 6.—(AP)—With favorable reports on nearly a dozen new major projects ready for its consideration, the house rivers and harbors committee will start hearings Monday to draft an omnibus bill such as has not been enacted by congress since 1930.

ROSENBERG SEES PROSPERITY FOR VALLEY GROWERS

Orchardist, After Return From East, Optimistic—Medford Pears Gain Favor at Home and Abroad

HARRY H. ROSENBERG, member of the firm of Rosenberg Bros., operators of the Bear Creek Orchards, who recently returned from a trip to the east and New York city is "thoroughly convinced this district is on the threshold of an unprecedented prosperity."

Rosenberg, a successful and highly conservative orchardist, is regarded as a close student of all angles of the fruit industry, in a statement issued yesterday, says Medford pears are making tremendous strides, in both foreign and domestic markets, that the name "California" does not hold the magic it formerly did, in the fruit buying centers, and attributes the growing popularity of the valley pears to the quality of the fruit and betterment of the pack. Boxes are regaining lost popularity.

"The statement, one of the few ever issued by Rosenberg, is as follows: "I doubt if many Medford growers or shippers realize what great strides this district has made during the last year. Unless one visits the large eastern centers and unless one sees their pears and apples in competition with fruits from other districts, and talks with the trade to find out the reason for its preference it is difficult to get the right picture. Outlook Encourages."

"After an extended visit in the east, and the various markets, I have returned with one very firm conviction: That is, the eastern market situation is most encouraging for the future as far as Medford fruit is concerned. It looks fine for the future!"

Pack Aids Prestige. This valley has really made tremendous strides this year. The most outstanding, as I saw it, was the startling improvement in most of the Medford pears. The quality of the fruit is much better. In fact there was hardly a poor pack from this valley and most of them were quite good. Do not think for one minute that the trade does not recognize this. They do. I heard it remarked about everywhere I went. The fine trade, the best shops, and hotels are now preferring Medford pears to the average from California, Washington, or other sections of Oregon. Of course, I do not mean that there are not some very desirable California pears, but I do say that Medford pears are now being preferred to California's. That is saying a good deal, in view of the many, many years of California's preference.

Export Gain. "This preference is not only true as far as the domestic trade is concerned, but it is rapidly reaching the point where Medford pears are equaling and surpassing the demand for California pears in the foreign markets. This export trade is of vital importance to us and it is my opinion that this preference for Medford pears is going to build up a continued larger job demand from European markets. It was only a few years ago

(Continued on Page Ten)

CHICAGO, Jan. 6.—(AP)—Dr. Alice Wynnekoop, 62-year-old physician, scheduled to go on trial next Thursday as the slayer of her daughter-in-law, Rheta, 23, will enter a plea of not guilty.

WILL ROGERS SAYS: BEVERLY HILLS, Cal., Jan. 5.—Mr. Roosevelt proposed in his speech that the NRA and a lot of these other government regulated business ethics would be made permanent. Well that was a terrible blow to some business men. They had figured they would only be required to be honest by the government till the emergency was over.

The papers today tell of a little country in the Pyrenees mountains that has six army officers and only six plain soldiers. Well that strikes us as being mighty comical, yet we get 120,000,000 people and 60,000,000 hold government jobs.

Will Rogers

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