

\$31,086,633,874 Debt

Forecast for the Year in Report of U.S. Treasurer

Federal Spending at Rate \$835,000,000 Per Month Expected During First Six Months

WASHINGTON, Jan. 8.—(AP)—Federal spending at the rate of \$835,000,000 a month during the first six months of 1935, resulting in a current fiscal year deficit of \$4,869,819,338 and a gross debt peak of \$31,086,633,874, was forecast by Secretary Morgenthau in the treasury's annual report to congress yesterday.

It is estimated that expenditures for the year would be \$8,351,059,026, including \$4,944,819,852 for relief, offset by receipts of \$3,711,650,888.

The predicted deficit would be \$4,933,492,450 in excess of the actual deficit at the end of the last fiscal year on June 30, 1934.

Losses to Continue. The secretary foresaw a continuance of heavy operating losses due to emergency expenditures. He estimated that the treasury would go farther into debt during the fiscal year 1936 when expenditures would amount to \$9,520,419,609, offset in part by receipts of \$3,991,904,519, resulting in a deficit of \$5,528,509,970 and swelling the gross public debt to \$34,238,823,056.

A sharp paring-down in emergency expenditure items in 1936 was forecast, but an expected outlay of \$3,900,000,000 for "relief of unemployment" would bring the total of such expenditures to \$4,122,011,473 or only a half billion less than expected in the present fiscal period.

Sees Income Tax Boost. The secretary found a cheering possibility in the estimate that income taxes in the fiscal year 1936 would improve by \$137,000,000 over 1935, and amount to \$1,168,000,000. This, he said, would reflect the "further gains because of the moderately higher incomes anticipated for the calendar years 1934 and 1935."

Morgenthau pointed out that in view of the nature of the federal tax structure, it was not to be expected that revenues would reflect promptly an anticipated improvement in business conditions.

"For example," he said, "collections of income taxes during the latter half of the fiscal year 1935 will be based on the business volume of the calendar year 1934 and income tax collections during the fiscal year 1936 will be based on the volume of business of the calendar years 1934 and 1935."

"Therefore, it is anticipated that the rising level of business activity will increase income tax receipts only moderately during the remainder of the fiscal year 1935 and the fiscal year 1936. Certain miscellaneous internal revenue receipts, notably estate and gift taxes, show a lag in tax collections behind changes in general business conditions."

Custom Duties to Grow. Total receipts from custom duties and internal revenue, excluding agricultural adjustment taxes, are estimated at \$5,172,000,000 for the new fiscal year beginning next July 1. "If the temporary taxes expiring June 30 and July 31, 1935, are extended," this figure represents an increase of \$227,000,000 over the estimated receipts in the present fiscal year, and of \$571,000,000 over the actual receipts in the fiscal year 1934.

Morgenthau said failure to extend the temporary taxes would reduce the total internal revenue receipts by about \$378,000,000, and customs by about \$111,000,000, or a total of \$489,000,000, or \$112,000,000 less than estimated receipts from these sources in the fiscal year 1935.

The secretary said he expected current corporation income taxes to yield \$309,000,000 in the fiscal year 1936, an increase of \$69,000,000 over the expected return for the present fiscal period, and current individual income taxes \$306,000,000, or an increase of \$62,000,000 over the 1935 estimate. Collections of back taxes on incomes are expected to bring in \$173,000,000, an increase of \$6,000,000.

Corporate Earnings Up. Morgenthau said the increase in income tax receipts for the present

year would result from the higher level of corporate earnings, the elimination of consolidated returns, the treasury administration of depreciation allowances, and changes in the individual income rate structure and in the capital gains and losses provisions.

Total miscellaneous internal revenue receipts—assuming extension of temporary taxes now due to expire next summer—are estimated at \$1,686,000,000, an increase of \$129,000,000 over the estimate for the fiscal year 1935.

Estate tax and gift tax collections are estimated to yield \$191,000,000 and \$25,000,000, respectively, representing increases of \$54,000,000 and \$14,000,000. Revenues from distilled spirits and wines and from fermented liquors are estimated to show increases of \$27,000,000 and \$11,000,000, respectively, partly in consequence of the anticipated higher level of incomes and partly because of the rising trend in the domestic manufacture and consumption of distilled spirits and wines.

Check Tax Taken Off. Repeal of the tax on checks, effective as of January 1, 1935, will clip \$24,000,000 from the 1936 revenue.

The secretary said customs receipts in 1936 were estimated at \$298,000,000, an increase of \$11,000,000, "assuming that temporary duties on certain commodities (coal, lumber, petroleum products, copper and products) are extended." Decreases from this source are expected in collections from Cuban sugar imports and imported liquor.

Agricultural adjustment tax receipts were estimated at \$370,000,000 "on the assumption that it would be necessary to continue the work of the agricultural adjustment administration on practically the same basis as during the fiscal year 1935."

CCC COOKS, BAKERS, MEAT CUTTERS TAKE LESSONS AT WIMER

CCC CO. 994, CAMP WIMER, Jan. 8.—(Sp)—Now that the new year has gotten under way, Wimer is going to be a busy camp.

The camp began a cooks' bakers' and meat cutters' school Monday, with 36 students in the classes from all camps in the Medford district. They are to get actual experience in the above mentioned courses, under the direction of capable instructors. These courses are to last four weeks. The students will work in three shifts with 12 men to a shift.

Those taking the bakers' course will bake bread and pastry for company use.

The meat cutters will cut meat for many of the camps in the district.

As for the cooks, they will cook one day and study the next so as to give the next shift a chance to cook.

The schools are an example of the good that is being done by the CCC's and the educational and practical training at the disposal of the members.

SALEM, Ore., Jan. 8.—(AP)—The Independent Men's Social club on the Williams university campus yesterday elected George Self of Salem as president of the recently formed organization. The club was organized by 125 non-fraternity men in order that they might enjoy social privileges granted only to campus organizations.

Pendleton Cold. PENDLETON, Ore., Jan. 8.—(AP)—The temperature dropped to the freezing mark last night after 22 of an inch of rain had fallen during the day, bringing the three-day total to .64 of an inch and putting much-needed moisture into the wheat lands.

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FROM STAGE TO SCREEN TO OPERA!



Hope Hampton of the stage and screen seemed particularly enthused as she began rehearsal in Chicago for her opera debut in the title role of "Manon." As you notice, she obliged interviewers by vocalizing a bit in their presence. (Associated Press Photo)

MERCHANTS NAME GROUP TO STUDY WORK INSURANCE

Meeting as one unit in a nationwide gathering Monday of employers, for the purpose of discussing unemployment insurance, about 75 local merchants and industrialists heard summaries of the four proposals of the national retail merchants' committee, at a luncheon at noon at Hotel Medford.

Following the presentation of each of the plans and discussions thereon, W. F. Isaacs, chairman of the Medford district merchants' committee, who presided at the luncheon, appointed a committee of 18 to summarize the views of local merchants. The appointments were as follows: Don Newbury, chairman; Floyd Hart, J. C. Thompson, C. T. Steward, Roland Hubbard, A. S. V. Carpenter, James Owen, Harry Rosenber, W. H. Lydard, W. S. Bolger, D. H. Ferry, Ted Gebauer, Robert W. Ruhl, George Porter, Ralph Boutelle, E. J. Trowbridge, P. G. Benson and W. F. Isaacs.

Reading the provisions of the first proposal, whereby contributions to a fund are required from the employer, employee and the state, Mr. Isaacs then referred the first and second plans to Don Newbury, who gave a thorough summary of the insurance put into effect in parts of the United States and in England, where a similar plan was first adopted in 1911.

Newbury said information from the headquarters of the national merchant committee sent out on the proposals seems imperfect and incomplete, and tends to determine the most popular methods of putting the insurance into effect, instead of whether or not the public favors it. By this he explained that the merchants' committee is seeking to determine whether or not the public wants the employer, the employee and the state, the employer and employee, or the employer alone to contribute towards the insurance fund.

Newbury referred to the first of the two plans as the better, after explaining that before passed by the Ohio state board, the second proposal recommended that payments be made by all three parties of industry, but because of the fact that taxes were so high when the bill was passed, the legislation did not include the one per cent contribution of the employee.

Referring to the plan as put into use in Great Britain, Newbury pointed out that unemployment insurance has been given a "black eye" by the unsatisfactory experiences met with in that country, but explained that these experiences were due to immediate effects of the World War and the resultant depression of 1920 and 1921.

He said the national merchants' committee is attempting to present a pattern of legislation to congress, to gain uniformity in contributions to the insurance fund.

Floyd Hart discussed the third proposal, the theory of which is that unemployment is the responsibility of industry alone and may be minimized by imposing a penalty against fluctuations in employment.

Hart said this plan has had the consideration of 10 European countries, but is in use at present in none of them. He gave as two outstanding points of the plan the strong public assumption that any plan of unemployment insurance can be expected to maintain a normal volume of purchasing power, and that experience shows that it is difficult to administer any type of unemployment insurance in regions where industry is seasonal, such as the fruit, mining and lumber trades of southern Oregon.

The fourth proposal was outlined by Dr. Wm. P. Roney, who explained the plan as one whereby it is proposed that the federal government assist in the administration of the insurance to insure uniformity insofar as it is practicable among the states.

With the use of a chart, he demonstrated that federal cooperation would eliminate interstate competition, as follows: prohibition.

At the close of the meeting, C. L. Mariner, of the United States chamber of commerce, field division, discussed briefly the possible effects of unemployment insurance should it be adopted, and urged the moulding of public opinion against communism and its hold on industry.

PROPERTY USES WILL BE NOTED

A request from the Federal Housing Administration, Edgar Freed, state director, asking for a map showing the use of all property in Medford, has been received by B. E. Harder, president of the Jackson County Chamber of Commerce, and has been referred to City Superintendent Fred Scheffel.

The map is desired for the purpose of making a study and survey of neighborhood features in Medford, so that the state office can assist in the administration of Title 2 of the National Housing Act.

Title 2, Scheffel explained today, is to provide loans for new housing construction, and works independently of Title 1, which provides for remodeling and repair.

Anyone interested can communicate directly with the state director of the Federal Housing Administration, 420 Park building in Portland, Scheffel stated.

Requisition Issued. SALEM, Ore., Jan. 8.—(AP)—Governor Julius L. Meier late yesterday issued a requisition for the return to Oregon of B. M. Loo, under arrest in Texas charged with burning property with intent to injure an insurer. He is wanted in Astoria.

Oregon Weather. Cloudy and unsettled tonight and Wednesday; showers west portion and local snow over mountains; not much change in temperature; moderate south to west wind off the coast.

FOREST REPORT FOR LIVESTOCK IS PESSIMISTIC

Little Change in Rogue River Area in Past Year — Ranchers in Financial Straits — Range Is Short

The annual grazing report issued from the office of Rogue River national forest reveals little change in the livestock industry in this locality over conditions in 1934. A slight trend is noticeable toward better values received and a stronger market for cattle, but the sheep and wool market is about the same.

In reality the financial status of the stockmen in this region is not good, the report declares. Most of the ranchers have mortgaged their ranches and stock, little assistance is received from the bankers and with present prices the stockmen will be brought even.

Reason for these unfavorable conditions were given in the report as being first, a shortage of from 20 to 30 per cent in the hay crop compared to normal years, both east and west of the Cascades, although prices have been high throughout 1934; and second, higher operating costs, which range from 20 to 30 per cent above the 1933 level. Increased taxes, higher prices for commodities and an extended period of depression will cause some of the operators to go out of business unless more favorable conditions exist in 1935, according to the report.

Winter Too Mild. Referring to climatic conditions throughout 1934, the summary states that last winter was exceptionally open and mild, with rainfall far below normal, snowfall about 75 per cent below normal and practically no freezing weather. As a result, the ranges developed early and due to light spring precipitation, the lower ranges dried up quickly, causing earlier than usual use of the forage on the upper ranges.

It is believed by the forest service that the actual carrying capacity of the forest ranges is lower than the estimated carrying capacity. A thorough grazing reconnaissance is used to determine the carrying capacity more definitely and to develop workable management plans, as "present management plans are out of date," the report avers. With a normal year and systematic management, no further reductions in range use are deemed necessary for 1935, but it is urged that no increase be allowed.

Larkspur Killed. Regarding the improvements the report stated that a total of 118 acres of tall larkspur have been treated, and steps are being taken to treat 240 acres of tall larkspur on O. & C. land. The following is being planned: To develop at least 15 more watering places; eradicate 240 acres of poisonous plants, besides going over 38 acres treated this year; fence several water hemlock springs to keep stock out, and construct some 45 miles of drift fence, at a total cost of approximately \$4,100.

Losses of livestock during 1934 were as follows: From poison plants (distributed nearly evenly on the Applegate, Klamath and Butte Falls districts), 39 cattle, 10 sheep; predatory animals (occurring principally in the Klamath and Applegate districts, with Klamath having a very high loss of 422 head), 5 cattle, 498 sheep; disease, 3 sheep; unknown and not found, 118 cattle, 73 sheep.

Ladies entertaining at St. Mary's Academy Thursday at desert bridge, announce several prizes. Auction, contract and 300 will be played. Price only 25c.

Meteorological Report

January 8, 1935
Forecasts
Medford and vicinity: Cloudy and unsettled with showers tonight and Wednesday; not much change in temperature.
Oregon: Cloudy and unsettled tonight and Wednesday; showers west portion and local snow over mountains; not much change in temperature.

Temperature a year ago today
Highest, 47; lowest, 26.

Total monthly precipitation, 0.95 of an inch; excess for month, 0.21 of an inch. Total precipitation since September 1, 1934, 9.56 inches; excess for the season, 1.17 inches.

Relative humidity at 5 p. m. yesterday, 75 per cent; 5 a. m. today, 97 per cent.

Sunrise tomorrow, 7:39 a. m. Sunset tomorrow, 4:58 p. m.

Observations Taken at 5 A. M., 1934 Meridian Time

CITY	High Temp.	Low Temp.	Wind	Weather
Boise	46	30	—	—
Boston	50	46	—	P. Cdy.
Chicago	46	40	78	Rain
Denver	62	36	—	Clear
Eureka	54	40	—	Cloudy
Holena	38	28	10	Snow
Los Angeles	60	52	—	Cloudy
MEDFORD	46	34	33	Snow
New York	52	46	—	T Rain
Omaha	38	34	01	Rain
Phoenix	58	40	—	P. Cdy.
Portland	42	40	36	Cloudy
Reno	52	32	14	Snow
Roseburg	46	36	30	Clear
Salt Lake City	56	36	—	Cloudy
San Francisco	56	36	—	Cloudy
Seattle	46	36	22	Cloudy
Spokane	36	32	12	Cloudy
Walla Walla	46	34	14	Cloudy
Washington, D.C.	56	44	—	T Foggy

FOREST SERVICE LISTS CCC WORK FOR PAST MONTH

A statement of the work accomplished by the five CCC camps located within Rogue River national forest for the month of December, 1934, was issued today from the forest service headquarters.

Included in the report is such work as telephone line construction, reduction of fire hazard, roadside cleanup, construction of lookout houses and towers, construction of truck trails and horse trails, maintenance of campground facilities, campground clearing and construction of campground buildings. The work is done by Camps Applegate, Elk Creek, Evans Creek, Carberry and South Fork.

The report follows:

Telephone Lines. Miles constructed: Elk Creek, 2; Evans Creek, 2.5; total, 4.5.

Fire Hazard Reduction. Acres completed: South Fork, 40; Roadside Cleanup, 1.2; total, 28.2.

Lookout Houses, Towers. Number constructed: Applegate, 1 house and 1 tower.

Truck Trails. Miles completed: Applegate, 2.5; Elk Creek, 1; Evans Creek, 1; Carberry, 2; total, 4.5.

Miles partially completed: Applegate, 1; Evans Creek, 2.2; Carberry, 4.2; South Fork, 5; total, 12.4.

Miles maintained: Applegate, 20.5; Evans Creek, 10; Carberry, 8; South Fork, 11.2; total, 49.7.

Horse Trails. Miles completed: Applegate, 5. Campground Facilities. Number constructed: Applegate, 2. Campground Clearing. Acres completed: Applegate, 1. Acres partially completed: Applegate, 5.

Other Structures. Number partially completed: Elk Creek, 1.

MISSING TANKER MAY HAVE SUNK

SAN PEDRO, Cal., Jan. 8.—(AP)—A possibility that the missing British oil tanker La Cressoneta founded 900 miles northeast of Hawaii was seen in a radio report received today from another tanker which passed that vicinity.

The Radio Corporation of America reported receiving the following message from the master of the tanker Athelbeach:

"Passed through pools of oil 35.02

Through an appropriation of \$10,000 of SERA funds, announced yesterday, 2300 lineal feet of 10-inch pipeline will be laid in this city within the next 90 days, to provide adequate fire protection for the mill district north of town.

The project will be undertaken principally for protection, but will also reinforce the present water supply to the North Medford district, it was explained by Robert A. Duff, superintendent of the city water department. The work will include addition of a line of 10-inch cast-iron pipe to the two existing water mains of six-inch pipe leading into the district.

Duff said the work has been under consideration for some time, and preparations for an eventual system of 10-inch pipe line to the mill district were made some years ago. Lines laid at that time will be connected and extended. It is expected that work on the project, with SERA labor, will commence within the next week and will be completed in from 45 to 60 days. The new mains will provide an ample water supply for all hose that could be needed for controlling any fire in the area, Duff said.

The new pipe will be laid as follows: Along one block on Manzanita street from Court street to Boardman street, to join existing mains; along Edwards street from Beatty street to Niantic street; thence along the alley east of Beatty street from Edwards street to Mitchell way, where it will join the 16-inch cross-city main.

25 UNITED PILOTS ARE "MILLION-MILERS"

By EDWIN C. HILL, The Flying Reporter

● CLEVELAND: "Is that young man a good pilot, miss?" This from a cautious lady passenger to her United stewardess as Richard Dobie stepped into the cockpit. Dobie is on his second million miles! But he and his 24 other "million-mile" colleagues will be "young men" for a long time yet. Their present experience by ground travel equals forty years each! Pilots on the United payroll average 4500 hours in the air—equal to 20 round-the-world flights per man!

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