

DEFENSE BUDGET NEAR BILLION IS ASKED FOR YEAR

Largest Peacetime Sum Ever Sought for Military and Naval Purposes—Maximum Navy Strength Aim

WASHINGTON, Jan. 7. — (P) — A national defense budget of nearly a billion dollars — the largest peacetime sum ever asked for strictly military and naval purposes — went to congress Monday from President Roosevelt.

He estimated \$937,791,966 would be required in the 1936-37 fiscal year for both the army and navy. A \$193,000,000 increase over estimated 1935 expenditures would be devoted largely to the acquisition of new fighting ships, aircraft and personnel in the gear starting July 1.

Taking notice of the lack of progress at the London naval conference toward a new limitations agreement, he asked congress to provide \$597,872,400 for the navy, much of which would be used to build up the fleet to full treaty strength by 1942.

Tanks, Planes Asked. For the army, provision was asked for purchase of 507 new airplanes, more tanks, armored and combat cars, an increase in the number of West Point cadets and in the national guard.

In connection with naval outlays, a White House analysis said, carryover and emergency funds would make \$621,000,000 available for spending compared with \$603,500,000 in 1935.

"These estimates," it said, "represent the minimum amount considered necessary to maintain the navy as an efficient military unit, and especially to provide for orderly progress in the construction of ships, aircraft and shore facilities, and an increase in the number of officers and men toward the strength contemplated for the treaty navy under the approved naval policy."

Counting unexpended balances, it was estimated \$243,000,000 would be available for 1937 to provide for continuing work on the 94 naval vessels now under construction and for beginning work on 12 destroyers and six submarines to be laid down at the beginning of the 1937 fiscal year. This compared with \$233,000,000 for 1936.

Recruiting Provided. An increase of \$17,000,000 was provided so that 6,000 additional men might be recruited to bring the enlisted strength up to 100,000 by June 30, 1937.

The marine corps was allowed a \$1,664,000 increase to boost its enlisted strength from 16,000 to 17,000, add 20 new second lieutenants, and more aviation cadets and officers and men to the marine reserve.

Approximately \$1,500,000 was added to the naval reserve budget to provide for additions to bring that branch up to 4,450 officers and 17,200 men, including aviation cadets.

For the army's military functions \$569,519,566 was asked, a sum comparing with \$548,084,872 actually appropriated in 1935.

The increase, it was explained, was due primarily to enlarged requirements for the air corps, authorized increases in enlisted and cadet personnel, the promotion act, and to a general rise in the price of army food rations.

FIREMEN'S GROUP HEARS 5 CHIEFS; LOSSES ARE TOLD

Five chiefs attended the regular monthly meeting of the Southern Oregon Firefighters association in the Medford fire hall last night, the gathering being described as the best yet held by the relatively new organization.

Chief Roy Elliott, association president, presided. He reported that fire losses of \$7887 in 1935 set a new low record for Medford and called upon the visiting chiefs to report losses in their cities.

Chief E. L. Surface of Oregon City stated that 1935 losses were \$12,500; Chief Harry Reames of Phoenix reported losses of \$1500; and Chief Clinton J. Baughman of Ashland estimated losses at \$7800. Chief J. V. Wilson of Jacksonville turned in a perfect score, reporting that his city had no losses in 1935.

B. L. Barry, insurance adjuster, spoke on the application of civil service requirements to city firemen, a matter on which Medford voters will ballot at the special January 31 election. He outlined the benefits of the civil service and advocated it for the local fire department.

Ed Canose gave a demonstration of the Medford department's inhalator, showing how it can revive persons overcome by smoke, gas or submerison. The demonstration was explained by Chief Surface.

After the meeting a report was served in the department's dining room. Thirty-nine regular and volunteer firefighters were present.

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BENNETT MARKS 46TH YEAR HERE

Nurseryman N. S. Bennett today celebrated the 46th anniversary of his coming to this section of Oregon. He observed the event with his usual custom of distributing apples among his friends.

Mr. Bennett came from Iowa and settled in west Phoenix on January 7, 1890. In 1908 he moved to 937 North Central avenue, Medford, where he has since resided and conducted his nursery business.

Mr. Bennett began planting trees from seed the first autumn he was in Phoenix and has continued until now he has an extensive nursery and landscaping business. He started many of the Christmas big orchards, having embarked upon his nursery business on a commercial scale in 1901. His business is known as the Eden Valley Nursery, the name of the first southern Oregon locality in which he lived.

SCHOOLS REOPEN AFTER HOLIDAYS

With the opening of city schools yesterday, attendance, which dropped off considerably during the weeks preceding the Christmas holidays, was estimated as practically normal today by E. H. Hedrick, superintendent of city schools. All schools and departments are open, with the exception of the classes of Miss Gertrude Watsling at the Washington school, which will be delayed until her return to the city at the first of next week.

The first semester's work will end January 27 for city schools. C. R. Bowman, superintendent of county schools, stated that, although complete reports are not in yet, attendance is very near normal, few cases of illness having been noted, other than a few scattered cases of measles. Most schools of the county will complete this term's work at the end of next week, and the county office is now sending to all schools the examination questions issued by the state, according to Mr. Bowman. Those schools which were open the past week will end the first term this Friday.

MEDFORD PRODUCTION DIRECTORS TO MEET

The annual meeting of the Medford Production corporation directors will be held at the courthouse January 20, it was announced today by Luther K. Deuel, local manager. Five complete reports are not in yet, attendance is very near normal, few cases of illness having been noted, other than a few scattered cases of measles. Most schools of the county will complete this term's work at the end of next week, and the county office is now sending to all schools the examination questions issued by the state, according to Mr. Bowman. Those schools which were open the past week will end the first term this Friday.

MITCHELL'S AUTO IS STOLEN AGAIN

There seems to be something about Harold U. Mitchell's 1929 Ford town sedan that has a fatal fascination for car thieves. On December 10, 1935, the car was stolen from Mitchell's garage at 20 Tripp street. It was subsequently recovered, the thieves apprehended, tried, and punished.

Recently Mitchell, who is proprietor of the Auto Beauty Shop, gave the old bus a new coat of dark blue paint. Sunday night it was again stolen from the business section, and hasn't been seen since, although city and state police are both looking for it.

The two who stole the car in 1933, according to the district attorney's office, were Cornelius Schmidt, 16, and Gordon Johnson, 17, both of Portland and both then in CCC camps near this city.

Johnson pleaded guilty in circuit court, and was given an indeterminate sentence in the Oregon state penitentiary, for not more than two years. Schmidt pleaded guilty in juvenile court before Judge E. B. Day, and was given a suspended sentence of six months.

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KIDD AND LEMMON ARE RE-ELECTED; GOOD YEAR SHOWN

C. M. Kidd and C. C. Lemmon were re-elected directors of the Jackson County Building & Loan Association and the Medford Federal Savings & Loan Association at the annual meetings of shareholders last night. The well-attended meetings were strikingly harmonious and the management was praised for the progress made in 1935. Tenure of the other directors had not expired.

At the annual meeting of directors the following officers of the Jackson County Building & Loan Association were re-elected: President, C. M. Kidd; vice-presidents, John C. Mann, W. J. Warner and C. C. Lemmon; treasurer, Dr. R. E. Green; secretary-manager, J. H. Fletcher; attorneys, Glenn O. Taylor and O. H. Bengtson; assistant secretary, A. P. Butler.

The same men were elected to the same offices at a meeting of the directors of the Medford Federal Savings & Loan Association. Mr. Lemmon being elected a vice-president as an addition to the staff of officers.

Most of the officers have been prominent residents of Medford for many years, some of them being successful in business here for a quarter of a century or more.

In giving the shareholders a resume of the 1935 business of the Jackson County Building & Loan Association, Mr. Fletcher reported that investments had improved greatly and that delinquents at the year end were more than a third less than at the end of 1934.

There were only three mortgage foreclosures in 1935, Mr. Fletcher told the meeting. Eighty-six properties were sold on contracts or otherwise during 1935 for \$188,000, the net decrease in real estate owned by the association being more than \$100,000, Mr. Fletcher stated.

Substantial increases were made in rentals during the past year because of greater demand, the secretary told the shareholders, adding that vacant rental properties were now at the lowest point in the past several years.

ERICKSON NAMED HEAD OF MEDFORD RING COMMISSION

Fred Erickson, Medford business man, last night was unanimously chosen chairman of the Medford boxing commission for 1936, to succeed P. C. Bigham, whose term has expired. Larry Schade was named vice-chairman and J. F. Fliegel was re-elected secretary and treasurer. All elections were unanimous.

Treasurer Fliegel read the yearly financial report, indicating that \$1,196 toward the sinking fund of \$1,500 is now on hand. The sinking fund is to cover any expenses for which the commission might be liable in case of emergency, 6 per cent of the gross gate at each boxing or wrestling performance going to the city by way of tax.

When the fund has been filled the succeeding proceeds will go half and half to charitable organizations and recognized veterans' organizations.

The committee meeting, which was attended by Mayor George Porter, adopted a resolution to give a vote of confidence to Promoter Mack Lillard, whose franchise was renewed for 1936. The commission thanked Lillard for his excellent promotion of wrestling in the city. "Lillard has brought the same type cards to Medford that are seen in Los Angeles, San Francisco and Oakland, and at lower prices," Fliegel said.

During the past year various applications for franchises in the city have been made to the commission, but the commissioners themselves brought out the fact that wrestling bouts are paying a substantial sum into the city's coffers for the first time in history. It was therefore deemed expedient to retain Lillard, to whom they gave credit for conducting the sport in a clean, business-like manner.

All members of the commission were at the meeting. A seven year plan of technical education for Great Britain, to cost \$60,000,000, has been announced by Oliver Stanley, president of the board of education.

For those that wear buy NOLDE & HORST Ethelwyn E. Hoffmann.

NO MORE NEURITIS IN ARMS, NECK, LEGS OR THIGHS

If you want to get rid of the agonizing pains of neuritis, neuralgia, sciatica or rheumatism, just apply Tyamol to the affected parts and see how quickly all misery will cease.

Tyamol is a powerfully penetrating absorbent, soothing and healing in its action, which goes in through the pores and quickly reaches the burning, aching nerves. Those stubborn pains in the back of the neck, about the shoulder blade, face or head, in the forearm and fingers, or extending down the thigh to the knee, should soon disappear. Cramping of the muscles will stop and you should soon be free from soreness, swelling, stiffness, numbness or tenderness of the joints and ligaments.

Tyamol is not an ordinary liniment or salve, but a scientific new emollient that is entirely different from anything you have ever used. Don't suffer any longer. Get a supply of Tyamol at any good drug store. Always on hand at Strang's Drug Store.

The First National Bank of Portland, Oregon

Condensed Statement of Head Office and 26 Branches As of December 31, 1935

RESOURCES	
Cash on Hand and Due from Banks	\$15,560,744.55
United States Bonds	18,696,313.53
Municipal and Other Bonds	19,824,375.11
Loans and Discounts	17,521,742.29
Stock in Federal Reserve Bank	141,750.00
Bank Premises, Furniture and Fixtures	2,004,422.52
Other Real Estate Owned	155,006.31
Customers' Liability—Acceptances	43,373.62
Interest Earned	382,492.01
Subscription to Federal Deposit Insurance	70,755.67
Other Resources	92,619.10
TOTAL	\$74,493,594.71

LIABILITIES	
Capital	\$2,500,000.00
Surplus	2,225,000.00
Undivided Profits	604,811.89
Reserves for Contingencies, Interest, Expenses, etc.	\$ 5,329,811.89
Acceptances	43,373.62
Other Liabilities	31,746.25
Deposits	68,824,772.50
TOTAL	\$74,493,594.71

MAIN BRANCH . . . FIFTH, SIXTH AND STARK
UPTOWN BRANCH . . . SIXTH AND MORRISON
Other Portland Branches

ROSE CITY BRANCH . . . SOUTHEAST PORTLAND BRANCH
UNION AND RUSSELL BRANCH . . . MONTAVILLA BRANCH
EAST PORTLAND BRANCH . . . LIVESTOCK KENTON BRANCH

Branches Outside of Portland
ALBANY . . . GRESHAM . . . LAKEVIEW . . . SALEM
ASTORIA . . . HEPPNER . . . MEDFORD . . . STAYTON
CONDON . . . HILLSBORO . . . NYSSA . . . THE DALLES
ENTERPRISE . . . LA GRANDE . . . PENDLETON . . . TILLAMOOK
UNION . . . WOODBURN

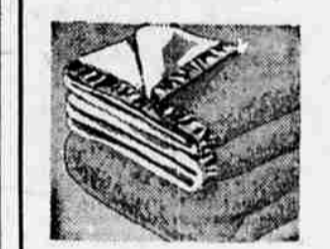
THIS BANK IS A MEMBER OF THE FEDERAL DEPOSIT INSURANCE CORPORATION



Close Out Sale of SUNSET PILLOWS

The Bedding section announces a close-out sale of regular \$3.55 and \$4.95 sunset bed pillows. These are guaranteed sanitary. Down and body feather filled and covered with feather-proof plain and fancy ticking. These pillows will sell fast at such a reduction. On sale tomorrow

Half Price Lower Main Floor



Sale of 72x84-in. All Wool Blankets

Another timely special from our popular bedding section. 72x84 inch all wool Blankets in rich solid shades of green, gold, lavender, blue, rose and tan—a shade for every bedroom. Your choice

\$6.85 values \$4.98 Lower Main Floor

January Sale of PRINTED RAYONS

The January Clearance Sale offers a wonderful assortment of 36 inch Fast Color Rayons and Cottons for only 29c yard. Regular values up to 49c. Included are plain and corded prints in light and dark patterns. On sale tomorrow in the Yard Goods section

29c yd.

39-inch Acetate Crepe \$1.00 yd.

Special 39-inch Acetate Novelty Weave Crepe and Metalase. \$1.49 and \$1.89 values for just \$1.00 yard. Tomorrow at Mann's

Outing Flannel Gowns 49c

January Clearance sale of Women's and Misses' colorful stripe and plain white Outing Flannel Gowns for only 49c. These are full cut and have long sleeves. All sizes. Special tomorrow

These are Regular 89c value

January Clearance of Evening Shoes \$2.99

The January Shoe sale for Women includes all Satin, Silver and combination fabric evening slippers for only \$2.99 per pair. Low and high heel styles selling regular from \$4.25 to \$5.25 are now \$2.99. A grand value in Women's and Misses' party shoes

Colonial Dames Cream \$1.00 jar

Colonial Dames all purpose cream is a perfect cleanser and tissue cream made from pure olive oil and containing 2000 A.D.M.A. units of certified Vitamin D. An exclusive process. This fine cream is only Toiletries on the Main Floor

Sale of 50-inch Drapery Damask

Regular Values Up to \$1.29 69c yd.

Quaker Lace Panels Regular \$1.29 Values for 69c ea.

The drapery section on the lower main floor calls your attention to this sale of 50-inch Damask. A clean up sale of broken lines and patterns in blue, rose, green and stripe drapery fabrics. Your choice tomorrow

Boys' Wool Trousers \$1.49 pr.

The Boys' Dept. announces a January Clearance of all wool Trousers for only \$1.49 per pair. These pants are regular up to \$2.95 and come in a good selection of patterns and sizes.

Boys' Knickers and Shorts 69c pr.

Another special from the Boys' Dept. All Wool 3 to 8 year Shorts and All Wool 6 to 14 year Knickers for only 69c per pair. These are regular up to \$1.98 values. But out they go tomorrow for

Boys' Section Main Floor

Little Girls' Print DRESSES Including Shirley Temples \$1.49

The Kiddies' Shop on the second floor calls your attention to this sale of Fast Color Print Dresses. Included are frocks for the girl from 2 to 16 and genuine "Shirley Temple" Dresses in sizes 1 to 12. All are regular \$1.98 values. On sale for

SECOND FLOOR

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