

Herald's subscribers who fail to receive their paper by 6:30 p. m. are requested to call the Herald business office, phone 1900, and a paper will be sent by special carrier.

Generally fair, cool. High 31; Low 21.

OREGON: Cloudy; snow in mountains.



COLD

Editorials On the Day's News

By FRANK JENKINS MILK strike hits Chicago. Violence flares over hundred-mile area in dairymen's war against low prices.

PARAGUAYAN army occupies three abandoned Bolivian forts following expiration of the Christmas armistice.

The occupied forests are located in the dense and trackless Chaco forest, which isn't worth any part of the fighting that has been done over it.

Most wars are just as foolish as that.

FRANCE agrees to increase THREEFOLD the quotas on American products as announced the first of the year.

In France making friendly gestures toward this country? Not at all. She merely wants to sell more wine in the United States.

Whatever the French do has a coldly selfish motive back of it.

PARLOUS times these, for men of wealth, and everybody recognizes it.

"If I had a million dollars," a young man said to this writer yesterday. "I'd worry myself sick trying to hold onto it. I have no worries, because I have nothing to lose."

There's philosophy for you.

"HOW'S the potato market?" this writer asked a potato buyer yesterday.

"Oh, somewhere from 85 cents to a dollar," was the answer.

"Pretty low for January of a short crop year, isn't it?" this writer put in.

"Yes," was the answer, "but there is no SPECULATIVE BUYING at all this year to bring the price up; in spite of the short crop."

NO SPECULATIVE buying, so the price stays low in spite of a short crop over the country.

We used to hear speculation thundered at as a curse, yet here we are told that LACK of speculative buying is holding down prices in a short crop year.

We're learning a lot these days.

WHAT is speculation, anyway? Why, it is buying low in the hope of selling high. Just that and nothing else.

Generally speaking, it represents the best judgment of shrewd men who know conditions of supply and demand—or think they do.

Really, it isn't half as bad as demagogues have been trying for years to make us believe.

IN THIS column, a short time back, some caustic remarks were indulged in about young men who habitually talk with a (Continued on Page Four)

WILL ROGERS says:

BEVERLY HILLS, Jan. 8—Editor The Evening Herald: Poor old Franco and Japan are about in the same fix.

France doesn't know whether it would be better to jump on Germany and lick 'em now which they can, or "will I sit here and wait till they are ready to pounce on me?"

Japan is on the same spot. They feel they can lick Russia now; or, will she wait till Russia is able to come pouncing on them?

This thing of living in an ambitious nation is not what it is cracked up to be. We are certainly glad Mr. Roosevelt announced that we had about all the country we wanted. In fact, he suggested that if we could get a decent offer he would let some of it go, Yours,

Will Rogers

PWA RAILROAD LOAN ASKED

U. S. AIRMAIL SCANDAL RISES FROM INQUIRY

Walter F. Brown, Postmaster for Hoover, Involved.

CONTRACTS HELD LET WITHOUT BID

Ex-Cabinet Man Accused of Burning Letters; Denial Issued.

WASHINGTON, Jan. 9, (AP)—Senate investigators received testimony today that the postmaster general in the Hoover administration, Walter F. Brown of Ohio, had awarded some airmail contracts without competitive bidding, although he lacked authority, and that portions of his correspondence had been destroyed just before he left office.

Evidence Presented Paul Henderson, assistant postmaster general under Brown, said contracts covering 5,000 miles of air routes were awarded from 1930 to 1932 under a provision of the McNary-Waters act of 1930, permitting the postmaster general to make "extensions and consolidations" of air lines.

Previously the committee had received evidence from a post-office employe that Brown's secretary had all his correspondence, official and personal, burned just before March 4—except that which Brown took with him.

Closely questioned by members of the special investigating committee, Henderson said the McNary-Waters law was drawn in Brown's office, giving him the right to award air mail contracts without competitive bidding, but the provision was stricken from the bill by congress.

BROWN HAS DENIAL NEW YORK, Jan. 9, (AP)—Former Postmaster General Walter Brown today declared that no official correspondence from his files had been destroyed prior to his leaving office last March.

At a session today of a senate committee investigating air and ocean mail contracts, James Mahoney testified that a day or two before President Roosevelt's inauguration he had burned, at the direction of Kenneth MacPherson, Brown's secretary, some correspondence, both official and personal, from the postmaster general's files.

Brown said: "No activities of the postoffice department during my four years as its head warrant any criticism.

"All official correspondence in my files was in the hands of the chief clerk at the end of my tenure of office."

LIQUOR OFFICES TO BE IN SALEM

SALEM, Jan. 9, (AP)—Stating that "the Knox law specifically provides that the offices of the state liquor commission shall be in Salem," Governor Julius L. Meier told members of a committee from the chamber of commerce here yesterday that headquarters for the commission would be established and maintained in Salem.

PORTLAND, Jan. 9, (AP)—No one will be employed in the state liquor control system until the Oregon supreme court has passed on the validity of the Knox law. It was said here by George Sammis, administrator of the liquor control board.

FOURTEEN SLAIN FOR ASSASSINATION

KABUL, Afghanistan, Jan. 9, (AP)—Fourteen persons were executed today for alleged implication in a conspiracy resulting in the assassination of King Nadir Shah last November.

The executions took place in the presence of Shah Mahmud, minister of war. A special court convicted the defendants and their sentences were upheld by King Zahir Shah, who succeeded his slain father.

Princess's Prince Charming Flees Writs And Reporters; Romance Beset By Troubles



The palatial honeymoon cruise to Japan from San Francisco, planned by Barbara Hutton, Woolworth heiress, and Prince Alexis Mdivani, has been changed because of California process servers seeking her husband as a witness in his brothers' oil operations in Los Angeles.

SEATTLE, Jan. 7, (AP)—Prince Alexis Mdivani reached Seattle by automobile and went to a leading hotel shortly before noon today. He declined to reveal his plans and it was announced he was wedded by the drive from Chehalis, halfway between Seattle and Portland.

CHEHALIS, Wash., Jan. 9, (AP)—Wrathful because a couple of newspaper photographers were haunting the corridors of their hotel when they awakened here this morning, Prince Alexis Mdivani and his party left for an unannounced destination toward the north at 5:20 a. m.

Members of the prince's entourage protested vehemently to the hotel management when they discovered the cameramen, demanding that the police be called to clear the building.

Alexis and party left Portland by motor late yesterday, presumably for Seattle. They reached here late last night.

The wealthy bride, meanwhile, was in San Francisco from where the wedding party had planned to sail Thursday on a round-the-world honeymoon. She intimated she might join the Prince at Seattle.

STARTLING CHARGES INVOLVE CROONER

Rudy Vallee Sued For Divorce by Actress; Answer Pending.

LOS ANGELES, Jan. 9, (AP)—An array of startling charges embracing infidelity, vicious temper, language, character assassination plots and negligently financial settlements were heaped upon Rudy Vallee today by his actress-wife, the former Fay Webb, in a suit for separate maintenance.

The brewing marital storm between the popular young entertainer and the daughter of the police chief of Santa Monica, Calif., about which warning signs have been flying lately, broke in the form of a 21-page complaint, which was sealed by court order for a time after being filed in the superior court here yesterday.

At Vallee's own insistence, the seals were broken and the charges became public. After he had read them, the curly-headed singer, actor and orchestra leader, made a motion picture, dropped a hint that an anti-climax to this initial sensation was in the offing.

MAN SLAYS WIFE COMMITS SUICIDE

ROSELLE PARK, N. J., Jan. 9, (AP)—Edward F. Smith, 61, retired business man of Altadena, Calif., today shot and killed his wife, Nellie, and fatally wounded himself.

The shooting occurred in the Smith's bedroom in the home of Mr. and Mrs. Herbert Wells, about 7:20 a. m. Mrs. Wells, who was sleeping on the third floor, hurried downstairs, after hearing shots and found her sister lying on the bed, a bullet hole above her right ear. Smith was lying on the floor. He had shot himself through the head. Removed to St. Elizabeth's hospital, he died at 10 o'clock.

Motorist Killed in Road Accident

OREGON CITY, Ore., Jan. 9, (AP)—Leo Shaver, 36, Molalla warehouse operator, was killed near Clairmont today when his automobile collided with a truck driven by Gus Johnson of Clairmont. Shaver's neck was broken and his chest was crushed.

NINE EVENTS ON SCHEDULE FOR PWA MAN

Marshall Dana, Regional Director, Visits City Wednesday.

CHAMBER FORUM DAY'S HIGHLIGHT

Discussion of Klamath's Public Work's Program Set.

By Malcolm Epley A busy day of speech-making and interviews lies ahead of Marshall Dana, regional public works advisor, when he comes to Klamath Falls Wednesday.

Both before and after his address at the chamber of commerce forum, scheduled for noon at the Willard hotel, Dana will confer with various groups and individuals regarding public works affairs affecting the Klamath country.

Conferences Numerous At this time, his program for the day looks like this: 7:00 a. m. arrive and breakfast arranged by chamber.

9:00 a. m. Conference with Klamath county armory committee on armory project.

9:30 a. m. Conference with representatives of Southern Oregon railroad on Bonanza road project.

12:00 m. Chamber of commerce forum speech.

1:30 p. m. Conference with regard to releasing funds from PWA for continuing Tulelake reclamation development.

2:00 p. m. Conference with League of Women Voters on canal coverage.

3:00 p. m. Conference with city council regarding proposed municipal water system.

6:00 p. m. Dinner with city council and Mayor Mahoney.

7:00 p. m. Radio address.

This program, indicative of the extent of Klamath's varied interests in the public works administration, may be adjusted and filled in by the time Dana arrives. At any rate, it appears that the public works advisor, president of the reclamation congress, and associate editor of the Oregon Journal, isn't going to have a great deal of time to himself on his Klamath visit.

Hockley Expected C. C. Hockley, engineer for the (Continued on Page Three)

CLEGHORN NAMED ENGINEER FOR CWA

J. C. Cleghorn, Klamath engineer, has been appointed district engineer for CWA and PWA projects in Klamath and Lake counties.

Cleghorn's appointment was announced by C. C. Hockley, PWA engineer, but it is understood his instructions call for weekly visits at all CWA projects in the two counties.

Numerous additional projects are expected to be proposed at Wednesday's meeting of the county relief committee. B. E. Hayden, superintendent of the reclamation project, may have proposals for work on the Klamath Irrigation district, in addition to others already announced.

F. R. CONTINUES SALARY SLASHES

WASHINGTON, Jan. 9, (AP)—President Roosevelt today by executive order continued the 15 per cent reduction of pay of federal employees for another six months.

In his budget message, the president asked that the authority to cut be changed from 15 to 10 per cent, thus—congress willing—assuring restoration of one-third of the pay cut beginning July 1, the start of the fiscal year.

The president acted today upon the findings of the department of labor on the local cost of living, as provided by law.

Stavisky's Death Signal For Riots In Paris Streets

PARIS, Jan. 9, (AP)—Royalists, swinging canes as weapons, attacked police repeatedly today for over a square mile area around the chamber of deputies in a demonstration against the government because of the alleged suicide of Serge Stavisky, pawnshop bond operator.

Police Accused The royalist newspaper Action Francaise has called for a popular demonstration, asserting Stavisky had not died by his own hand, but had been shot down by police in order to keep him from testifying as to what he knew of speculations which cost the public \$40,000,000.

Lamposts were broken from their foundations and strewn across the streets, blocking traffic; iron grills were torn from the trees which they protected.

Women Arrested The police, massed in the Place Bourbon held their ground, taking into custody scores of demonstrators, including women, whom they loaded into buses and carried to police stations, after which they were released.

All streets leading to the chamber were blocked off by massed patrol wagons.

The socialist newspaper, Populaire, and the communist Humanite were other newspapers attacking the police version.

Cabinet Revamped Premier Chautemps lost no time in revamping his endangered cabinet as a result of the midnight resignation of Colonial Minister Albert Dalimier, accused by police of indirect implication in the Bayonne scandal.

He named Lucien Lamoureux, minister of labor, to replace Dalimier, Merchant Marine Minister Eugene Prot going to labor, and Under-Secretary William Bertrand of the ministry of the interior moving into Prot's position.

Thus, with Stavisky dead and Dalimier out of the cabinet with a "certificate of good conduct," Chautemps hoped parliamentary and public indignation would subside.

Meanwhile, the reorganized cabinet was pressing measures to investigate the whole affair and punish the guilty.

LEADERS OF NRA HAIL DECISION

WASHINGTON, Jan. 9, (AP)—Administration officials today hailed privately as a constitutional victory for the national recovery legislation a close but decisive supreme court decision upholding the validity of the Minnesota mortgage moratorium law.

By a vote of 5 to 4 the high tribunal ruled in favor of the first emergency statute passed either in the state or nation, defending in broad principle the right of a state to suspend contracts in an emergency.

CHINESE REBELS QUITTING FUKIEN

NANKING, China, Jan. 9, (AP)—National government forces, in a sweeping advance over Fujian province rebels, fought their way today within 25 miles of Poochow, capital of the province, Nanking military leaders claimed.

All of the rebel chiefs were in flight, it was said, with the exception of General Tsai Ting-Kai, commander of the 19th route army and chairman of the Fukien military council.

Ellsworth Reaches Bay of Whales to Find Byrd Quarters

WELLINGTON, New Zealand, Jan. 9, (AP)—Dr. Lincoln Ellsworth, leader of a proposed trans-Atlantic flight expedition, has arrived at the Bay of Whales, Antarctica, to find intact the Richard E. Byrd expedition headquarters established in 1930.

The report of his find was received here in a wireless message to the Bear, supply ship of the present Byrd expedition to the Antarctic.

NURSES ESCAPE FIRE REDWOOD CITY, CALIF.

REDWOOD CITY, Calif., Jan. 9, (AP)—Twelve nurses and other employes of the Canyon sanitarium escaped when fire of undetermined origin destroyed the nurses' quarters early today.

BONANZA ROAD APPLICATION TO BE FILED

Petition Seeks \$132,000 to Build 18-Mile Line.

PLAN LISTED AS SELF-LIQUIDATING

Economic Advantage Cited in Formal Bid For Approval.

Application for \$132,500 loan from the public works administration for construction of an 18-mile railroad from Dairy through Bonanza to a point near the Gerber reservoir, has been prepared, and will be filed immediately with the PWA.

The Southern Oregon Railroad company, a private corporation of which R. H. Hovey of Klamath Falls is president, is making the application on a non-grant basis as a self-sustaining project.

Would Provide 225 Jobs Total cost of the railroad construction project would be \$265,813, and it is estimated it would provide work for 225 men for five months. It is offered "as an aid to the conservation and sustained production of natural and manufactured forest products and the products of agriculture" in the application prepared by R. E. Bradbury, who is agent of the company.

The proposed railroad would connect with the O. C. & E. at Dairy, and extending through Bonanza would provide railroad facilities for the agricultural area surrounding that community. It would then continue into the heavily timbered country beyond, tapping area estimated to have enough standing timber to permit harvest of from 10 to 15 years duration.

Reduced Cost Wanted The application points out that 75 per cent of the raw material consisting of logs in the Klamath district is transported from the forest to sawmills over railroads owned either wholly or in part by individual lumber manufacturing companies. About 25 per cent are dependent upon sources of log supply from territory without railroad facilities, which entails in many instances long truck hauls, intermittent supply and higher costs.

The proposed project, it is pointed out, would provide a dependable source of log supply for a considerable portion of the raw material requirements of that portion of the lumber manufacturing plants that are without their own timber and transportation facilities.

As to the unemployment relief feature, the railroad project is believed to be particularly desirable at this time. The application gives an exhaustive report on unemployment conditions here which would be partially relieved by the labor made available through the railroad construction.

Preliminary Steps Taken It is understood the Southern Oregon Railroad company has already taken preliminary steps (Continued on Page Three)

THOMAS, TELEPHONE HEARING UNDERWAY

PORTLAND, Ore., Jan. 9, (AP)—In what promised to be a protracted controversy, all subjects of contention between the Oregon public utilities commission and the Pacific Telephone and Telegraph company were gathered here today into one consolidated hearing.

The first phase of the work will be established of a rate base valuation for telephone properties used by the company in the conduct of its Oregon business, as distinguished from interstate operation.

City Officials Not to Attend Liquor Hearings

Neither Mayor Mahoney nor City Attorney Leavitt will attend the hearing in Salem Wednesday on the main issues of the Knox law controversy.

Attorney Leavitt has been ill and Mayor Mahoney will remain here to confer with Marshall Dana, regional PWA advisor.

The circuit court hearing will be featured by oral arguments, in which Elton Watkins will represent Klamath Falls. Judge Leavitt will submit a brief to Circuit Judge Lewelling on the case.

MILD EARTHQUAKE FELT IN SOUTH

LOS ANGELES, Jan. 9, (AP)—A slight earthquake was felt at 6:11 a. m. today in Southern California. There were no reports of damage. The shock was felt in a general direction from Los Angeles to San Bernardino.

LATE NEWS

THE DALLES, Ore., Jan. 9, (AP)—Petitions were being prepared here today under the direction of the Inland Empire Maritime conference, for circulation throughout the Pacific northwest, requesting sea-locks at the Bonneville dam large enough to permit passage of ocean-going vessels.

NEW YORK, Jan. 9, (AP)—The wholesale price of popular brands of cigarettes was advanced 60 cents a thousand to \$6.10 a thousand by leading manufacturers today.