

Musica Probe Goes Worldwide as Arms Traffic Is Traced

Believe Scheming Family Gave Funds for Three-Year War Between Bolivia, Paraguay

Political and Financial Connections of Musicas Investigated as 150 Get Subpoenas

NEW YORK, Dec. 17.—(AP)—Investigation of the notorious Musica brothers' biggest and most elaborate swindle, involving millions of dollars of McKesson and Robbins assets, extended to all parts of the globe today with emphasis on reports of shipments of arms and ammunition to foreign powers.

Gregory F. Noonan, acting U. S. attorney, said he felt confident federal authorities would develop "conclusive proof" of the head of the Musica family—Philip Musica who called himself F. Donald Coster and became president of the \$37,000,000 drug corporation—was actually exporting war materials on a large scale.

Gun-running and even possibility that the respected head of the great drug corporation even financed the three-year war between Bolivia and Paraguay over the Gran Chaco border were regarded tonight as likely activities for Coster-Musica.

Conference slated Monday on Plans

Noonan said an important conference would be held Monday among representatives of all federal law enforcement agencies to draft a definite plan of coordination for their multiple activities in the future.

Gun-running, liquor shipments, Coster-Musica's political connections, his possible dealings in narcotics and the vast financial tangle he left behind when he sent a bullet into his brain will be discussed.

So extensive were his labyrinthine affairs that federal as well as state investigators believed they had only begun to remove the numerous layers of the scandal. More than 150 subpoenas already have been issued for Wall street operators and brokers, officials of the firm, Connecticut politicians and numerous other persons.

Reports that the Franks and might file claims to recover the property were described by him as "unfounded." He said one can say what one wants, but any necessary at all, until we know all the facts about the parent organization.

Currier Unworried

One Oregon man who was unworried was Roy G. Currier of Lakeside, who has several million dollars at McKesson & Robbins money paid for stomach ulcer tablets.

"I have all my money from the company," Currier said. "However, if the firm should fold for any reason I think I'd make an effort to buy back the rights to manufacture the tablet and handle sales right out of Lakeside."

Currier at present has a show place home on an island in Coos county.

US Fleet to Sail For West Indies

SAN PEDRO, Calif., Dec. 17.—(AP)—The United States fleet will sail early next month for the West Indies where the next big war games will be conducted from Guantanamo as a base in March and April. The fleet will visit the New York exposition in May and then return to west coast bases.

The war games, officially known as Fleet problem No. 20, will be held in February in the West Indies and the Atlantic as far south as the equator. The fleet will be divided into two parts, the black and the white, the blacks defending a coast and the white trying to establish a base on the coast.

Navy officials said the games would furnish training in fleet maneuvering at sea and employ all units of 140 surface ships, 600 aircraft, submarines and 3000 officers and 50,000 men.

Honor Paid Wright Brothers On Flight's 35th Anniversary

DAYTON, O., Dec. 17.—(AP)—This "cradle of aviation" paid tribute to the Wright brothers tonight on the 35th anniversary of man's first successful flight—with a suggestion from Henry Ford, honor guest, that economically-stricken people could well emulate the air pioneers "in finding a job to do."

Ford, arriving at Orville Wright's home shortly before the municipal observance, said "recovery depends on work. If people think they are going to get along without working—well..."

"Where are people going to get jobs, where did the Wright brothers get one?"

"There are a lot of things to do in this world. They are no more finished than they were 40 years ago."

Orville Wright, survivor of the famous pair of brothers, posed with Ford in Wright's home, keeping up a crossfire of animated conversation.

Used Car Week Offers Variety

Now is a favorable time for the purchase of a used car because the introduction of 1939 models has stimulated the demand for new cars and dealers have increased the stocks of recent models in the hands of dealers. Ten business automotive firms are participating in the "Used Car Week" program. Some of the exceptional values they have to offer are listed in their advertisements on page 17.

FR Talks Over Congress With Vice-President

National Defense Might Form Basis to Bolster Par Strength

Foreign Policy Broadly Opened to Garner

Chat Between Pair Lasts Two Hours

WASHINGTON, Dec. 17.—(AP)—at Roosevelt talked over the congressional outlook with Vice President Garner today in a conference which led to speculation that the chief executive would try to reunite his party on the common ground of national defense.

Garner and the president lunched with a committee drafting plans for a building at Hyde Park, N. Y., where the president's papers, books and pictures are to be collected for historians.

Then they retired to the chief executive's study in the residential quarters of the White House, for a long chat about many things. Chat Between Pair Lasts Two Hours

Two hours later, preceded by two buffers, Garner strode swiftly from the White House. He motioned for his waiting car, and then, when reporters started asking questions, pulled off his gray cow-country hat.

"I'm perspiring," he remarked with a grin. "It's awfully hot up there."

"What did you talk about?" a newsman asked.

"I can't remember," the vice president shot back.

Foreign Policy Is Outlined

White House attaches asserted that Mr. Roosevelt gave Garner a comprehensive outline of American foreign policy, but there was no elaboration on this statement. The fact that it was the only subject mentioned publicly led to speculation that great emphasis would be placed in the next congress on international affairs.

Stephen Early, White House secretary, told reporters that the president has completed a first draft of about half of his annual message to congress. A major portion of the talk will be devoted to foreign affairs, Early said.

Slayer of Woman Hunted by Police

San Francisco Girl Found Dead Alongside Road in Farm Area

SAN JOSE, Calif., Dec. 17.—(AP)—Police tonight launched a widespread search for a man suspected of having slain auburn-haired Jerry Dale and of leaving her body along a nearby farm road.

Coroner C. C. Spalding said Ann Johnson of San Francisco viewed the body today and positively identified it as that of Miss Dale, 23, San Francisco housegirl.

Inspector Harry Husted of San Francisco quoted Miss Johnson as telling him she and Miss Dale met a strange man in San Francisco last night, and that after a visit to an apartment Miss Dale accepted an invitation to go for a ride.

There were no marks of violence on the body, County Pathologist Frederick Proescher said that by Monday it could be determined whether the stomach showed presence of poison or anasthesia.

San Francisco police records showed today a Jerry Dale previously had been taken into custody on charge of vagrancy, soliciting, and petty theft.

Spain War in 30th Month

BURGOS, Spain, Dec. 17.—(AP)—The insurgents finished the 29th month of their revolt today fully determined, officials said, that they would not end to the war except in unconditional surrender of the Barcelona government.

Coster-Musica 25 Years Ago



Philip Musica, central figure in the growing scandal of the McKesson-Robbins drug firm, as he appeared in 1909 when he was arrested for smuggling cheese.—(Acme Telephoto).

Hutchins Resigns Stock Group Post

Educator Parts Company With Board on Probe in Whitney Deal

NEW YORK, Dec. 17.—(AP)—Robert M. Hutchins, president of the University of Chicago, resigned today as a "public" governor of the New York state exchange after the governing board had voted against re-opening the Richard Whitney case for further investigation.

Hutchins, one of three public representatives among the 32 governors, parted company with the new liberalized regime in a difference of opinion over the question of determining responsibility of exchange members who may have known of the conditions that led to the collapse of the Whitney firm last March.

In a report on its investigation into the affairs of the man who was five times president of the exchange, the federal securities and exchange commission recently charged an "unwritten code" of silence on matters of borrowed money in brokerage circles had enabled Whitney to hide his situation.

In a brief letter of resignation, made public today by the exchange, Hutchins pointed out the SEC record contained "evidence tending to show that members of the exchange or their partners knew of Richard Whitney's criminal conduct or the condition of his firm some months before its failure."

Halt Rescue Try For Stranded 18

JUNEAU, Alaska, Dec. 17.—(AP)—Coast guard headquarters said tonight current efforts to rescue 18 survivors of the wrecked motorship Patterson from the beach at Cape Fairweather had been abandoned because of continued fog and rain.

A half-dozen airplanes and three ships were poised all day to make a dash for the barren beach if the weather cleared.

Pilot Sheldon Simmons said he would attempt a flight at the first sign of clearing weather. His plans called for landing on a "spot" back of the camp where survivors are huddled. Once safely landed, Simmons said he would lay out a landing field on the shore so other planes could land and pick up the men.

Oklahoma College Has Oregon Club

ENID, Okla., Dec. 17.—(Special)—With a membership of 17 students, the Oregon club is the first to organize on the campus of Phillips university here. The average distance travelled by the members is 2000 miles.

In recent election Gilbert Cays of Eugene was elected president; Holly Jarvis, also of Eugene, vice-president; Josephine Gilstrap of Turner, secretary; and Mrs. Joe Jewett of Eugene, recording secretary.

Members include Howard Cole of Salem, Josephine Gilstrap of Turner, and Mr. and Mrs. Russell Boatman, Mr. and Mrs. Robert Austin, Mr. and Mrs. Gilbert Cays and Mr. and Mrs. Joe Jewett, all of Eugene.

Corvallis Police Search For Narcotics Burglars

CORVALLIS, Dec. 17.—(AP)—A search was started by police today for a gang believed to be raiding doctors' and dentists' offices for narcotics.

Thieves broke into the offices of two dentists last night and removed drugs and some needles. A short time ago the offices of other dentists were entered.

Philips' Fate In Slaying Is In Jury Hands

LaGrande Man Tells Tale of Shooting in Which Bryant Killed

States Bryant Drew Gun and Firing Was Begun After Warning

LA GRANDE, Dec. 17.—(AP)—A jury considered the case tonight of Jesse Philips, charged with the first degree murder of Frank Bryant and the wounding of Mrs. Elsie Carlson, long Philips' common-law wife.

Philips pleaded self defense in the shooting, which occurred last October 19. The jury took the case at 6:10 p. m.

In clear, even tones marked by not the slightest hesitation, Philips gave his version of the shooting.

Woman's Habits Source of Worry

He first told of knowing Mrs. Carlson since he was 13 years old and living with her for the past 10 years. Her habits were a source of worry to him, he claimed, and he said he tried to protect her from them.

On October 19, while driving into LaGrande, he said he was behind an automobile, the occupants of which he could not identify at the moment. Someone fired a shot, narrowly missing his dog and he stopped. Approaching the city limits, he said he recognized Mrs. Carlson's daughter, Betty, 15, and followed the car because he had some mail for her.

Drew Pistol

The car stopped before a residence and Philips got out of his machine and approached. As he did so, Bryant leveled a pistol at him and Mrs. Carlson shortly afterward came out of the house with a gun. Philips said he called out and told them to put the guns away and the shooting started.

One shot blinded him, he said, and he fired back. On his third shot he saw Bryant slump over the wheel but in the meantime he said he had been wounded in the side so he walked from the scene to police headquarters.

The jury examined both automobiles and found on Philips' machine two apparent bullet marks.

Green to Compete For Chicago Post

Man Who Sent Capone up to Seek Nomination Against Big Bill

CHICAGO, Dec. 17.—(AP)—Dwight H. Green, gangster nemesis who sent Scarface Al Capone, head man of Chicago's gangland empire to federal prison, will compete with William Hale (Big Bill, the Builder) Thompson for the republican mayoral nomination.

The 41-year-old former United States district attorney who helped put many gangsters behind federal prison walls, announced his candidacy for the mayoral race by announcing he was entering the political war at the request of "thousands of liberal democrats together with the elected officers of my party."

Green has the support of a citizen group opposed to Thompson, whose 1935 campaign furnished colorful political history. "Big Bill" announced his candidacy last Tuesday night.

On the democratic side Mayor Edward J. Kelly is expected to seek reelection. Friends of State's Attorney Thomas J. Courtney, who has carried himself lately with orders to his policemen to smash gambling houses with axes, are urging him to oppose Kelly. Courtney has made no statement.

Raw Food Eater Has 12th Infant

SAN FRANCISCO, Dec. 17.—(AP)—Another baby made it an even dozen today in the family of St. Louis Estes, health campaigner and raw food advocate, who admits being "nearer 72 than 62 but I promised my wife I wouldn't tell my age."

The entire Estes family, enclosed in a penthouse apartment during a lecture tour, was to have left for Los Angeles Wednesday, but a storm hampered air travel then and the next day arrival of the baby—appropriately nicknamed "Prisco"—completely disrupted the plan.

"Prisco," the sixth boy, is actually named St. Louis VIII. All the boys carry the name St. Louis, with consecutive numerals. St. Louis I is Estes himself—"I was the first, wasn't I?"

"Maybe I'll have a whole army," Estes said in response to a query as to whether more children could be welcome. "At least I can have an orchestra."

Argentine Blocks Move For Defense Solidarity

New Japanese Envoy Arrives At Seattle on Way to Capital



Arriving in Seattle en route to Washington, D. C., Kenuke Honmichi, successor to Hiroshi Saigo, Japanese ambassador to the United States, told interviewers his principal duty will be "to do all in my power to establish a basis for permanent understanding between America and Japan." He is pictured with his wife as they rested in Seattle before continuing their journey. (IIN).

Voice in Naming Nominees Sought

Non-Partisan Body Makes Bid for Power Among Democrats

WASHINGTON, Dec. 17.—(AP)—John L. Lewis, as chairman of labor's non-partisan league, stepped into the 1940 presidential campaign today with a bid for a voice in the selection of candidates and policies by the next democratic national convention.

Surrounded by his chief aides in both the league and the CIO, Lewis is unfolded to newspapermen a program of political action which has for its goal the election of league-endorsed candidates to the 1940 democratic national convention.

The CIO leader indicated he was not interested in the third party idea at this time, and shied away from questions as to his views of a third term for President Roosevelt.

But he announced that the league would have a convention in 1939, adopt a platform for the 1940 campaign and aim at the nomination of "progressive" candidates by the democratic party.

Close associates of Lewis interpreted his program of political action as an effort to line up as large a bloc of democratic convention delegates as possible, and thus be able to swing a decisive vote against conservative elements of the party.

Roosevelt Winner Of Rhodes Award

BOSTON, Dec. 17.—(AP)—Archibald B. Roosevelt, Jr., danced until 4 o'clock this morning, but later in the day made a winning appearance before the Rhodes scholarship committee.

The slender, 20-year-old grandson of the late President Theodore Roosevelt, was elected one of four New England students to study at Oxford University, England.

Action Unmade Despite Pleas Of Cordell Hull

Chairman Says Possible for Resolution to Be Offered Again

Argentine Fascist Body Arouses Against "US Imperialism"

LIMA, Dec. 17.—(AP)—Heads of leading delegations to the Pan-American conference failed tonight to reach an agreement on a measure for continental solidarity. The Argentine representative, refusing to accede to the United States viewpoint.

The meeting—the second today—heard Secretary of State Cordell Hull plead for acceptance of the American project, but adjourned without taking action.

After the session, Afraide Melio Franco, chairman of the meeting and its spokesman, said it still would be possible for any delegation to introduce its own resolution next week although a midnight deadline has been set. He expressed optimism that the delegates would reach an accord next week.

Mello Franco, who is chairman of the Brazilian delegation, said Dr. Don Carlos Concha, Peruvian foreign minister and president of the conference, could construe the rules in such fashion.

BEUNOS AIRES, Dec. 17.—(AP)—Hundreds of boys of high school and college ages here set themselves the task of arousing Argentina's 12,000,000 people to "the perils of Yankee imperialism."

They are backed by fascist high-ups and are trained in the gestures of Reichsfuehrer Adolf Hitler of Germany and Premier Benito Mussolini of Italy.

Their placards are stridently warlike. They demand that President Roosevelt's good neighbor policy be "a fair and a blind" and, despite police bans, they attempt to hold meetings in the broad squares of Buenos Aires.

Chinatown Ired At Ship Loading

School Children Picket Ship Being Loaded With War Scrap

SAN FRANCISCO, Dec. 17.—(AP)—Indignant Chinatown sent 2,300 of its school children to the waterfront today to picket lines which again stopped the loading of the Greek freighter Spyros with scrap iron destined for Japan.

Upwards of 500 adults, many of them Chinese, others of Greek ancestry and others sympathetic to the Chinese cause, formed the picket lines.

CIO longshoremen, who had been loading the ship, refused for the second successive day to pass through the lines to the ship. Three Chinese members of the ship's crew quit their jobs, hurried ashore and the Chinese consul arranged to send them home on another vessel.

President Almon E. Roth of the Waterfront Employers association wrote the longshoremen's union insisting that the dock workers load the ship. He said the union had no right to halt work over a "political issue."

Nazi Spy Movie Irks Nazi Heads

LOS ANGELES, Dec. 17.—(AP)—Dr. Georg Gysling, German consul, said tonight he had advised the Will Hays office "there may be trouble ahead" if Warner Brothers produce a picture involving a Nazi spy.

Work on "Confessions of a Nazi Spy" is now under way at the Warner studio.

Dr. Gysling said Germany may bar all future productions of any studio if it exhibits a picture which "conflicts with German interests," adding he had first written the Hays office two months ago "as a friendly tip—not as a protest or warning" when he heard Warner Brothers were sending a man to watch the Nazi espionage trial in New York.

He said he had received no reply to either communication.

Jobless Law Status Hearing Opens Monday in Washington

By RALPH P. CURTIS

Experts' opinions on the outcome of a major football game set big headlines 24 hours beforehand, but nobody gives a hoot about them at the moment of the kickoff. Various opinions as to what the federal social security board will do about Oregon's unemployment compensation law have carried some weight but the kickoff in that matter comes tomorrow, when the hearing opens in Washington, DC, on the petition of LEO Pressman, counsel for the CIO, asking revocation of the law's certification on the ground that its effect has been changed by the anti-picketing law.

Members of the social security board are John G. Winant, Arthur J. Altmyer and Vincent M. Miles. According to one long-distance appraisal, they are level-headed men who have endeavored to administer the law for the best interests of the public. On the board's decision hinges

some somewhere between \$5,000,000 and \$6,000,000 in payroll taxes and a like amount in unemployment benefits.

The Commonweath Federation got its hand into this matter when Monroe Sweetland accused Governor Charles H. Martin of neglecting to warn Oregon citizens of the jeopardy in which passage of the anti-picketing bill would place the unemployment compensation law. Sweetland said the warning letter did not reach him until too late; certainly it was mailed too late to be injected into the issue in a fair manner. The real significance of the letter from Altmyer is that the board, or one member, did not indicate beforehand that the compensation law was jeopardized; and that adds to the seriousness of the prospect.

T. Morris Dunne, chairman of the unemployment compensation commission, is on hand for the hearing in the capital, and so (Turn to Page 2, Col. 1.)

\$350,000 Fortune Left by Recluse

TAMPA, Fla., Dec. 17.—(AP)—Yesterday, death ended 50 years of seclusion for Mrs. Letitia V. Graham. Today, Tampa learned she had \$350,000 fortune—its source left a mystery and its extent a shock to the few who knew the 93-year-old recluse.

Mrs. Graham died in a four-room shack on Tampa's outskirts and her passing drew little notice in the press or among neighbors, one of whom said, "She dressed like a charwoman and lived like a 'share-cropper'."

Today, her attorney, M. G. Gibbons, said an inventory disclosed she had \$350,000 in cash; \$184,000 in savings bank accounts; \$250,000 in postal savings; enough gilt-edged securities to total a conservative \$350,000.

Gibbons said even he knew little of her life, nothing at all of how she gained her riches. She was born, he said, on an ante-bellum plantation near Coldwater, in northern Mississippi.

Half a century ago she came to Tampa with her husband, Scott, he died and since then she seemed to take little interest in life, living alone with a parrot for a companion, in the squalid house.

6 More days to BUY and USE

CHRISTMAS SEALS

PROTECT YOUR HOME!

They stress the importance of isolating tuberculous individuals to protect the family and the public.