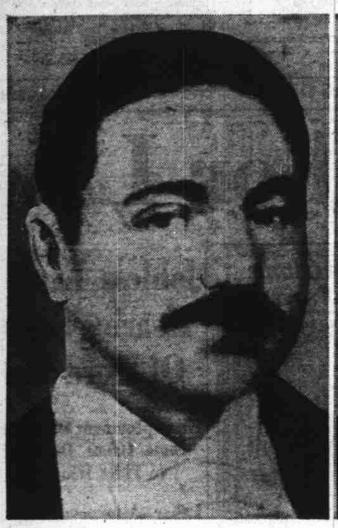
Musicas-Master Crooks Report Made





Exposed as Philip Musica, eldest brother and "brains" of the swindling Musica family which perpetrated a million dollar "human-hair" larceny in 1912, F. Donald Costa, president of McKesson & Robbins, Inc., killed himself. At left, as he appeared in 1913 as Philip Musica. Right, at est photo taken shortly before his suicide. (Acme Telephotos).



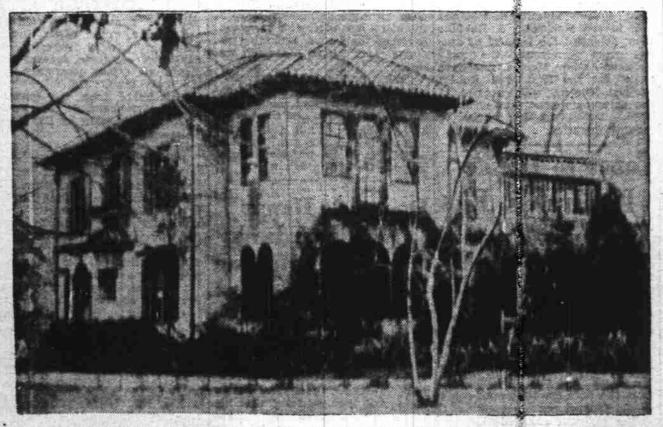
Out of the exposure of Donald Costa came the additional revelation that his two associates, high in the McKesson & Robbins concern were really his two brothers, Arthur and George Musica. Photo shows Arthur Musica, alias George Vernard, left, and George Musica, alias George Digirich, right, with the elder Musica in the center. (IIN).



Charles F. Michaels, San Francisco business man and executive vice-president of the McKesson-Robbins company, who will head reorganization of the firm after revelations of the still growing maze of Coster-Musica illicit activities, (IIN).



Not in trouble for the first time when their wide-scale swindling operations of this year were discovered, the Musica family had been in and out of the toils of the law since the first of the century. Photo shows an old file print of the entire Musica family when they were arrested in New Orleans for swindle in 1913 (IIN).





Donald Coster, revealed as Philip Musica, ended his amazing swindling career just as federal agents were knocking at the door to arrest him. (Acme Telephoto).

Left - John M. Kantor, held by police on a swindle charge, is shown in New York police headquarters. Kantor is said to have told Securities & Exchange commission probers that he was approached by McKes-son & Robbins officials on purchase of 250,000 rifles. (Acme

Right—Julian F. Thompson, treasurer for the McKesson & Robbins firm, pictured as he testified during a recent investigation. (IIN).



Bids Are Opened

Although most homes can be For big Switches

lighted by the flip of a 50-cent switch, the breakers will cost from \$18,000 to \$150,000 each. They will be located in sub-stations in Portland, Vancouver, Kelso Salam Eugene Hood Pive

Electric & Manufacturing com

Coast Bund Leader Hit

On Education

Marks Points out State Has not Used Taxes in Building

ALBANY, Dec. 19.-(AP)-Oregon in the last four years has obtained buildings for the state institutions of higher education without using any educational tax funds though the building value is \$2,583,047 Governor Charles H. Martin was told by Willard L. Marks, president of the state board of higher

The letter, to accompany the biennial report of the board to the governor, reviews briefly the progress of the state system during the last two years, explains the financial requests being made for the coming biennium, mentions major administrative changes and reports on the success of the sev-eral institutions in educating the youth of the state.

Facilities Needed Regarding the construction program President Marks points out that the facilities have been badly needed for several years but that the board's limited budget had to be used almost entirely for operation, leaving no funds for new buildings.

"It will be noted that this building program was financed almost entirely by federal grants and loans, and private gifts," President Marks wrote. "The loans are secured by the student building fees at the various institutions and are not obligations of the state of Oregon at all."

President Marks then shows that only \$133,000 of state tax funds are used in this entire construction program and of that amount \$33,000 was from the state's restoration fund on account of loss by fire, and \$100,-000 was from previous contingent legislative appropriations.

Federal Aid Used The amount of state funds used

is only approximately five per cent of the total cost. More than \$1,000,000 or almost 40 per cent was received as outright cash grants from the federal government, and \$376,910 was supplied through the generosity of private A tabulated list appended shows

one or more new buildings for every unit of the system. Listed are a training school, gymnasium and girls' dormitory for Eastern Oregon normal at La Grande; a physical education building for Southern Oregon normal at Ashland; physical education and administration buildings for Oregon normal school at Monmouth; a combined library and auditorium wing, and a tuberculosis hospital at the University of Oregon medical school in Portland; library, buildings and grandstand at the University of Oregon at Eugene: and chemistry, health service and agricultural engineering buildings and remodeling of old science hall at Oregon State college at Cor-

Legionnaires Give Cheer for Needy

Enough foodstuffs and provisions to make a sizeable truck load were brought by members of Capital Post No. 9, American Legion, and the auxiliary, to the "Christmas party" held on their regular meeting night, Monday at the Fraternal temple. The provisions will be given to needy

The program, arranged by the auxiliary, included numbers by the auxiliary quartet, song and dance numbers by Lorene Palmateer and Patricia Zosel and readings by Beth DeLapp. There was a luncheon followed by danc-

At the regular post meeting a eulogy to Glenn Porter, last past commander of the post who died Latter Day Saints. recently, was delivered by O. E. 'Mose" Palmateer, past department commander.

It was announced that beginning with the first January meeting, admission to post meetings would be by 1939 membership

Moody Telegraphs Outlook Is Good about February 1. About 3000 cases of essential merchandise, large quantities of fuel and clothing, already are available. Republicans Given

Ralph E. Moody, Salem attor-ney representing Gov. Charles H. Martin at a social security board hearing in Washington, D. C., over whether the state's new law to regulate picketing and boycotting conflicts with the state unemployment compensation law, telegraphed the governor today that "the indications for a favorable result to us are good."

Moody, who also is the governor's special prosecutor of labor terrorism cases, said he would leave tonight for Salem.

Brazilian Railroad Crash Kills Thirty

RIO DE JANIERO, Brazil, Dec. 19-(AP)-Officials of the Central Do Brasil railway said 30 persons were known to be dead today in an express-freight train collision 70 miles north of Rio De Janiero.

Lauro Miranda, the line's traffic chief, said the toll might be increased, since wrecking crews had not completed search of the

Duplex Houses Are Plan For Capitol and Marion rest.

Construction of two duplex

Coster-Musica was Host for Three Oregon Druggusts in 1929, Recalls Secretary of State Pharmacy Body

But little over nine years ago, F. Donald Coster, nee Philip Mu- time, according to Jones, to consica, the swindling head of the solidate manufacturing, wholesal-McKesson-Robbins drug firm who a sound idea,"said Jones, "if he'd committed suicide in New York, was a "quiet, retiring, very hospitable, unassuming gentleman," according to Linn Jones, secretary of the state board of pharmacy, who yesterday while in Salem on business for the board told of his close association with Coster dur-

ing the summer of 1929. "Coster invited Fred Chapman of Roseburg, E. A. Robinson of Portland and myself, along with pioneer druggists from other to Jones. states, to a convention in Bridgeport, Conn., and New York," related Jones to a Statesman reporter, "for the purpose of ac- called. "He drank but little, quiring ideas concerning the smoked cheap Virginia cheroots, wholesale and retail drug busi- was extremely hospitable, very

It was Coster's ambition at that ing and retailing of drugs. "It was been square about it."

"We were given a \$45-a-day suite of rooms in the Roosevelt hotel, had assigned to us Howard Phillips, secretary of the Mc-Kesson-Robbins company, a big limousine placed at our disposal, and in general, given millionaire treatment," Jones said.

At that time Coster knew practically nothing of the drug business, and admitted it, according

"His personal appearance reminded me most of an aristocratic southern gentleman," Jones remodest and not at all presuming."

Jobless Law Case Sixth Is Charged As Larceny Aide Incites Word Wars

Salem Couple Is Charged Being Members of big **Burglary Ring**

EUGENE, Ore., Dec. 19-(AP)-Paul Brownfield, Eugene service station employe, was held by state police investigators tonight as an accessory in an alleged northwest burglary ring after a weekend roundup that resulted in several arrests at Vancouver, Wash.

Sergeant Lowell Hirtzel said Brownfield admitted a part in the gang's activities. Hirtzel said the ring had preyed on at least two Eugene wholesale houses, taking mostly tobacco and confections which were trucked to Vancouver. At Vancouver Prosecutor Eu-

gene Cushing filed grand larceny charges against Frank Carstens, Clara Grams, Reinhold Grams, Edward Huffman and John E. Wilson. All were in custody except Wilson. Grams is a Salem restaurant operator.

Cushing said most of the \$3, 000 worth of merchandise seized in the Grams home at Vancouver last Thursday was from wholesale stockrooms in Eugene and The Dalles.

Reinhold E. and Clara Grams are listed in the city directory as operators of the Minot Tavern, 1999 North Capitol.

Scattering Snow Strikes Portland

PORTLAND, Ore., Dec. 19-(AP) the social security board. -Desultory snowfalls followed sleet in Portland tonight and temperatures within the freezing limit were general throughout the state with the exception of the coastal country. Although the snowfall was fairly heavy at times the alternating rain melted the snow as fast as it fell. Although the mercury climbed

rapidly from a minimum of 32 degrees here early today, the weather bureau predicted another icy plunge tonight.

Snow flurries were regarded as

possible east of the mountains tonight and Tuesday.

Low temperatures included Baker 28 degrees, Bend 22, Brook-28, Lakeview 22, Medford 28, Newport 36, Pendleton 24, Roseburg 36, Siskiyou Summit 32.

Mormons Prepare To Aid Brethren

campaign to remove all Mormons from government relief rolls within 60 days was launched today by a stake welfare committee from the church of Jesus Christ,

M. L. Bean, stake president, said the time limit might be extended, however, because the committee had not completed a survey of the number in need of assistance.

The northwest's first Mormon warehouse will be opened here about February 1. About 3000

Says Rep. Barton

NEW YORK, Dec. 19.-(A)-Rep. Bruce Barton (R-NY) gleefully reported tonight "Everyone in Washington is being courteous Veatch, chairman of the state fish and deferential to republicans these days."

"The word has gone around among the janitors and policemen and everybody that they had better begin to be sweet to us," he told the New York county republican committee. "Because in two years we are going to be the ones to say what's what."

Sleepless Night

Is Spent by Pope VATICAN CITY, Dec. 19-(AP) Pope Pius XI spent a restless night but Vatican circles reported he showed no special harm today from a long and tiring ceremony over which he presided yesterday.

The 81-year-old pontiff, who had refused to curtail his activities since a severe heart attack November 25, was prevailed up-on to spend today in absolute

High Speed Plane out

The Bonneville dam administration opened bids from four companies today on circuit-breaker installations required to interrupt the flow of electricity on the low over-all bid was sub- Bund, asserting that the papers change of fire zone to permit him to use frame construction.

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Unemployment Body Men State Labor Bill not to **Hurt Benefits**

(Continued from page 1)

ful every bona fide labor organization in Oregon. It dissuades and discourages and practically makes unlawful the joining of a labor organization."

Padway called the Oregon initiative measure a "studied atold injunction system of dealing Oregon has legalized the reprehensible yellow dog contract and brought into existence again the company-dominated union." Padway Says Law Is "Devilish"

He concluded with the asserilish language" conceived by shrewd attorneys who "pawned it off on the people."

Shortly before the hearing end-ed, Campbell told the board an unfavorable decision would do "irreparable damage to the workers of Oregon, the unemployment compensation commission and the employers of the state."

He estimated that if the employers were forced to pay the full federal tax they would be billed each year for about \$8,-000,000. He read a letter from Governor-elect Charles Sprague saying he would ask the legislature at its next meeting to remove day. all features of the state's unemployment compensation act which

various parts of the country were vote on the proposal. already boycotting Oregon products because of the new restrictions on picketing.

"I wish you would carry that back to your governor," he said.

Truck's Purchase Okehed by Council

Purchase of a pickup truck from the Valley Motor company, lower bidder, for \$535, was orings 40, Burns 22, Hood River dered by the city council last night. The truck will replace the fire department's present chimney fire "rig." All bids for a coupe to place the fire chief's present car were rejected. Other council actions included:

Granting of street light petiions for Frederick and Thompson, 15th and Jefferson, and 17th and Pearl street intersections, and at alley and 12th street, block 37. Assuming operation of street lights in front of Lausanne hall. Referral to committee of petition for removal of wood trucks now parking in vicinity of Union and Commercial streets.

Three Named for Clean River Body

Gov. Charles H. Martin yester-day appointed Dr. Richard B. Dillehunt, dean of the University of Oregon medical school, Blaine Hollock of Baker and Albert Burch of Medford to the state san-Deferential Nods, stream pollution law, passed at itary authority to administer the the general election.

The other member: of the authority, are Dr. Frederick D. Stricker, secretary of the state board of health; Charles Strick- criven by Roy Cole, 1990 Cenlin, state engineer, and John C.

Musica Had Great Store of Alsohol

swindler, was described by a federal official today also as a master bootlegger "who apparently withdrew enough alcohol or diverted enough to keep the state of Connecticut drunk for 10

"That indicates," added Asst Atty. Gen. Brien McMahon, "that it must have been shipped else-

Dishwasher Held Insane After Hiding in Plane

LOS ANGELES, Dec. 19-(AP)-George Miller, 25, dishwasher

Forest Roads Six Are Dead Get \$930,000

North Santiam Is Alloted \$70,000 for Six-Mile Surfacing Job

PORTLAND, Ore., Dec. 19-(AP) -National forest roads in Oregon will get a total of \$930,000 durstate highway commission, in ses- Christmas thorngs caused the sion today, was informed.

The fund, to be available for allocation after January 1, 1939. roads and the forestry service. Contracts will be next spring.

Among the roads to get a slice of the federal money were: Willamette highway, .4 mile grading and 5 miles ofling, \$135,000; Santiam, 6 miles surfacing, \$75,000; North Santiam, 6.5 miles surfacing, \$70,000; Alsea bridge near Tidewater, \$70,000.

A Portland delegation urged the state road board anew to deo handle north and south traffic.

PORTLAND, Dec. 19-(AP)-E. B. Aldrich, Pendleton publisher and member of the state highway commission, was "pleased" today with the commission's setup. Aldrich admitted his pleasure

arose primarily from the annual convention of the National Association of Highway Officials at Dallas, Tex., where he learned Oregon's commission was almost when an automobile in which unique in not being influenced by politics.

sions are under political influ- here. ence," he said. "Oregon, lightly tempt to revert to 1806 and the populated but with lengthy highways, has no money for politics. which she was riding with C. L. with labor through the courts. The non-political setup here is one of the best."

Aldrich indicated one of the most important resolutions growing out of the Texas meeting was that seeking important resolutions | Hood River to be married. growing out of the Texas meeting He concluded with the asser-tion the initiative contained "dev-states for roadside improvements. He said the resolution would keep highways clean and ban unsightly billboards. Legitimate business signs would not be bothered.

Strike on Stages

PORTLAND, Ore., Dec. 19-(AP) Negotiations for the Union Pacific stages and 125 union employes apparently had forestalled a strike today after reaching a contract renewal agreement Sun-

The company drivers, members of the Amalgamated Association cieties, and I. B. Tolins, public might prevent its certification by of Street and Electric Railway relations director for the United and Motor Coach Employes of Committee for the Boycott of At this point Padway remark- America, all employed on the Salt ed several labor organizations in Lake City-Portland division, will night pickets had been assigned

vulge terms of the agreement, said it contained no mention of reemployment of two drivers discharged by the company. The national labor relations board ordered the men reinstated, but the cir- that Roth threatened to close cuit court of appeals reversed the the port of San Francisco if pickdecision. The union later broke et lines were not removed and off contract negotiations and longshoremen did not return to

Europe's Mercury Strikes low Spot

LONDON, Dec. 19-(AP)-Snow and sleet laden winds swept over Europe today causing at least 20 deaths and crippling communications in virtually all parts of the continent.

Temperatures tumbled to record lows from northern Scotalnd to southern Greece. Meteorologists predicted freezing weather would continue probably over Christmas.

Britain, where the mercury fell to an unusual low of 26 degrees, Fahrenheit, counted 10 dead. Many mines were closed in Cornwall and Wales when thousands of workmen left their jobs because of the cold.

London anticipated its first "white Christmas" in 10 years. Germany experienced its coldest December day in 83 years and the prospects were for a further sinking of the thermometer. At 7 a.m. Berlin had a reading of 10 degrees.

Three Pedestrians Receive Injuries

Three women pedestrians were slightly injured shortly before 6 o'clock last night when a car ter street, collided with the trio at the intersection of High and Center streets.

The three, who were taken to the Salem General for treatment, were: Mrs. W. A. Sampson and two daughters, Mildred and Joyce, all of 1095 North 15th street. Mildred sustained a cut head not severe; Mrs. Sampson NEW YORK, Dec. 19-(R)- F. sustained numerous bruises and Donald Coster-Musica, the dead suffered from shock; and Joyce

30 Die as Ferry **Crashes Dredger**

LISBON, Portugal, Dec. 19-(P) Thirty passengers were reported dead and many missing today when a ferryboat sank after a collision with a dredger on the river

The ferry sank within three minutes at a point 500 yards from the shore when rammed by the

Gorrie Promoted

From Crashes

Wintry Roads, Christmas Crowds Cause Traffic

Tragedies PORTLAND, Dec. 19-(")-Six Oregon residents died on highwill get a total of \$930,000 during the fiscal year of 1940, the the weekend. Wintry roads and

traffic fatalities. Caroline P. Wood, 21, Roseburg, strangled to death three was allotted at a meeting of the miles south of Halsey when her commission, the bureau of public head and neck were caught between an overturned automobile and a door thrown open when the car skidded. Her companions were unable to free her.

Tragic Shopping Trip Death ended a Christmas shopping trip to Klamath Falls for Oswald Mills, 31, Algoma, who was killed when an automobile ariven by his wife overturned. John B. Matson, 55, was Portland's 55th traffic fatality of the velop Front avenue in Portland year. He was fatally injured by an automobile as he steppe! into a street intersection.

James Peter Murie, 54, Bandon, was killed when a tree he was falling at the Pat Corneli logging camp near Denmark twisted and struck him.

Infant Is Victim Ramona Lee Thomason, 5. daughter of Mr. and Mrs. Roamie Thomason, Klamath Falls, died at Eugene of injuries suffered she was riding with her parents and W. O. Whiting, also of Klam-"Some state highway commis- ath Falls, overturned outh of

Miss Celia Branisn, 22, of Aloha, died Sunday when a car in Henry, Yakima, Wash., her fiance, skidded on icy javement and crashed into a power pole near Goldendale, Wash. She was enroute to her mother's home at

Chinese Picketing **On Docks Spreads**

SAN FRANCISCO, Dec. 19-(AP) Chinese picketing to prevent the shipment of materials to Japan from San Francisco spread to-Threat Diminished from San Francisco spread toscheduled to extend tomorrow to the offices of Almon Roth, president of the San Francisco Waterfront Employers association, in protest against what spokesmen for pickets asserted was his

threat to tie up the port. Lim P. Lee, publicity director for the United States Chinese soto stop longshoremen from load-Officials, who refused to di- ing the English freighter Beckenham which arrived today to

load cargo for Japah.

The said a committee repre senting the two organizations called on Roth late today and work immediately. To protest Roth's position, the publicity men said, both organizations would place pickets around the Federal Reserve bank building where Roth's offices are located.

Demand Is Brisk For Turkeys With Prices 22 to 26

PORTLAND, Dec. 19-(APA-De-mand was fairly brisk on the local turkey market today, with buyers offering 22 cents f toms and 25, occasionally 26, for hens.

Resale to retailers ran 1 to 2 cents more than the buying price es. Some handlers reported fractional advances in the retail market and said there was a pos-sibility of consumer reaction.

. . . in the News

MAYVILLE, N. Y., Dec. 19-(AP) Lester A. Miller, 50, a voluntee parties the Dunkirk fire department put on after each callfalse alarms excepted-was sen! enced to a year in prison today

joined his company in fighting the blaze-and went to the parts afterwards. NEW YORK, Dec. 19-(AP)-A trip to the headquarters of the

Judge Lee L. Ottaway said Mil

ler set fire to a railroad shed.

Amazon river might solve the problem of thinning hair. Richard C. Gill, Washington, D. C., explorer who returned with his wife today from a seven-months' search for rare drugs, said none of the natives was bald. He discovered they used a root extract on their hair which "seems to be so good as a cosmetic that they can almost

grow hair on eggs." GIRDLETREE, Md., Dec. 19 P)-A boast cost George Hudson. Playing with two young friend

resterday, George bragged about how much electricity he could stand. To prove he could "take it. George hurled a coil of chicken

wire into the air across a high tension line. The shock of 2,300 volts of electricity killed him instantly.

Jasper Steel put on his socks, warm it. The fire that followed put

OKEMAH, Okla., Dec. 19-(A)

Steel in an Okemah hospital with a badly burned foot. The socks had been washed

in gasoline.