

Maximum yesterday 62
Minimum today 26

Snow or rain. Continued cold.

Daily—Fifteenth Year.
Weekly—Fiftieth Year.

MEDFORD, OREGON, FRIDAY, MARCH 11, 1921

NO. 306

SENSATIONAL TESTIMONY BY JOHNSON

Former President Jacksonville Bank Declares Collins Offered Pay Note if He Would Swear Falsely on Stand—Admits Making False Deposits—Hooper Testifies.

Sensational testimony was offered this morning in the circuit court by W. H. Johnson, former president and cashier of the defunct Bank of Jacksonville, in the trial of Ben M. Collins, a Grants Pass auto dealer, former city clerk of Medford, and also a former cashier of the Bank of Jacksonville.

On October 17th, shortly after the bank was closed, Collins came to see me in the county jail, Johnson testified, "and after a short conversation told me that the bank examiners were pressing him for the notes he owed. He also owed me personally \$2800, for money which I had advanced him. He suggested that he would pay this \$2800, not all at once, but in partial amounts, one hundred dollars before the end of the week, if I would swear falsely about his notes being paid."

Questioned further about the alleged transaction, Johnson testified he let the proposition "go by default, as I was not in any position to accept or reject any payments he might make on what he owed me which would have been acceptable. I do not think, however, that I left the impression that I would swear falsely."

Previous to this testimony, Johnson testified that he had made fictitious deposits in the bank books to cover up overdrafts of Collins, and that the latter had requested him to extend credit so he could carry on his auto business at Grants Pass, and eventually pay the notes due.

Johnson also identified a ledger sheet with pencil notations showing that Collins actually owed \$725.50, when the ledger figures showed but \$27.50. The witness admitted this procedure was taken to deceive the bank examiners.

The indictment against Collins charges "aiding and abetting a bank cashier to defraud a bank."

The former bank president testified freely regarding the tangled web of finance surrounding the operation of the closed institution, and maintained a calm outward appearance, except when telling of the alleged jail conversation with the defendant. He identified checks and notes as returned by Collins. Some of the notes were drawn in 1914 and 1915, and the defense objected to their entrance as exhibits on the grounds that the statute of limitations had expired. The court overruled the objections and exceptions were taken. Much of the evidence given by Johnson was linked with the retirement of the defendant, as cashier of the bank.

Johnson Cross-Examined. Upon cross examination Johnson said that he honored eight drafts sent by Collins from Grants Pass were paid, and credited to Collins account, as far as he remembered. Defense then handed Johnson a check for \$500, signed by Collins on a Grants Pass bank, which was not credited on the ledger sheet, known as "Exhibit A."

Collins, some credited, some not, were offered as evidence. The checks were drawn on the First National Bank of Grants Pass to cover sight drafts, and objections of the state were overruled. Johnson said that Collins told him also he was "working diligently to pay off his obligations to the bank."

The defense also offered another large number of checks sent by Collins to the Bank of Jacksonville for

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Expect Government To Lose Income Tax Case Now Pending

WASHINGTON, March 11.—Solicitor General Frierson, in closing the government's argument today in the "corporate bond tax case" before the supreme court, conceded formally that the internal revenue bureau had erred in assessing as profit the difference between the market value of an investment March 1, 1913 and that on a subsequent date of sale.

If the court accepts Mr. Frierson's view, as Associate Justice Pitney indicated that it would, thousands of individuals' assessments upon which millions of dollars in taxes already have been paid, will be annulled.

HERBERT HOOVER AWAITS COMPLETE REORGANIZATION

WASHINGTON, March 11.—Indications that the governmental reorganization proposed by the new administration may await congressional study of the matter were seen today in a statement by Herbert Hoover, secretary of commerce.

Mr. Hoover in the statement, his first since becoming head of the commerce department, said the future of his department "in its ability to meet the needs of our industries and trade must await the thorough reorganization of the whole legislative machinery now being vigorously undertaken by congress.

The congressional study of departmental reorganization is being made by a joint committee of the senate and house headed by Senator Smoot of Utah and Representative Reavis of Nebraska. Secretary Hoover stated that "we must consider our transportation, both railway and marine as one system directed to serve the nation as a whole. To follow this line of thought to its conclusion, it was said in some quarters, would bring about the creation possibly of a department of transportation entrusted with the work now performed by the inter-state commerce commission, the shipping board and a number of other agencies."

WITH NO PLACE TO GO COUNT KAROLYI ASKS ITALY TO INTERN HIM

ROME, Mar. 11.—Count Michael Karolyi, who was expelled from Italy last week and who has failed to find a refuge in any country in Europe, has asked the Italian government to intern him, pending an investigation of his activities in Florence. He asserts he is innocent of the charges of communistic agitation.

Police authorities in Naples have arrested John Hoch, a priest, who is declared to have been closely associated with Count Karolyi in Florence. The man showed a letter from a high personage at the Vatican recommending to prelates in the United States, to which country he intended to sail with two compatriots. It is stated by newspapers that the American consul refused to vize Hoch's passport.

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FRENCH GEN'L PAYS TRIBUTE TO GERMAN DEAD OF 1870 IN RHINE PROVINCE

ALLIED MILITARY HEADQUARTERS, NEUSS, March 11.—(By the Associated Press.)—General Gaucher, commander of French troops engaged in the occupation of the new tariff zone along the Rhine, yesterday placed wreaths on the graves of French and German soldiers who died during the war of 1870 and the world conflict and were buried in the military cemetery near here. As he placed his tribute over the tombs of the Germans, he said: "These died in obedience to military orders," while at the graves of the French he said: "They were our pioneers."

A French priest led the procession to the cemetery and was followed by a band playing a funeral march. Bringing up the rear was a straggling crowd of German civilians. When the priest's prayer was finished the band struck up the Marseillaise and the Germans who had stood bareheaded during the invocation, immediately put on their hats. Referring to telegrams from Duesseleider to London, in which labor unions protested against General Gaucher's proclamation prohibiting strikes, the general declared they were sent as a result of an improper translation of his announcement. In his proclamation he said strikes of workmen operating public necessities would not be tolerated but the German translation said that no strikes whatever would be permitted.

CLARA HAMON WEEPS WHEN STORY'S TOLD

Woman on Trial for Murder of Jake Hamon Breaks Down When Prosecutor Quotes the Death Bed Statement of Victim.

ARDMORE, Okla., March 11.—Clara Smith Hamon, on trial for the alleged murder of Jake L. Hamon, bowed her head and sobbed today when the prosecution told the jury that Mr. Hamon, describing the shooting, said he "never had a chance, the old man never had a chance; she shot me as I lay about like I am now."

Hamon was on a hospital cot when he made the statement to Erret Dunlap, of Ardmore, Attorney General Freeling in charge of the prosecution said.

The state began the introduction of witnesses at the morning session and four witnesses had been heard before the luncheon recess.

ARDMORE, Okla., March 11.—Allegations that Clara Smith Hamon, on trial charged with the murder of Jake L. Hamon, oil man and politician, had once pressed a pistol against Hamon's body and had frequently quarreled with him during their years of association were made by S. P. Freeling, attorney general of Oklahoma, in charge of the prosecution in his opening statement to the jury today.

He further declared that the defendant and Hamon had openly lived together illegally here. She was 22 years old when she first knew Hamon, Mr. Freeling asserted.

Main prevented the jury, which was completed yesterday on the first day of the trial from inspecting the adjoining hotel rooms occupied by the defendant and Hamon for several years. The shooting occurred in the hotel November 21 last.

ARDMORE, Okla., March 11.—Adjoining rooms in the hotel occupied by Clara Smith Hamon and Jake L. Hamon on the night when Hamon was shot fatally for which Clara Smith Hamon is on trial charged with murder were inspected this morning by the jury.

It was indicated by statements of defense counsel that Clara's defense would be either that Hamon was shot in self defense or that the pistol was discharged when Hamon struck at her with a chair.

PLAN NEW STATE INLAND EMPIRE

SPOKANE, Mar. 11.—For the purpose of formulating plans for the organization of a new state, to be called Lincoln, from counties of northern Idaho and eastern Washington, a meeting has been called for early in September in this city, by Senator R. A. Hutchison, backer of the plan in the Washington legislature, according to an announcement by Senator Hutchison.

Promises of support have been received, Senator Hutchison declared, from several eastern Washington and northern Idaho legislators.

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Villa's Gal Wagers \$10,000 She's Best Woman Roper, Texas

WICHITA FALLS, Texas, Mar. 11.—Miss Francis Villa, daughter of Francisco Villa, former Mexican bandit chief will appear in a roping contest at the annual rodeo here in May. She has challenged Lucille Mulhall Barnett, a roper and horse woman and the challenge has been accepted. A side bet of \$10,000 is soon to be posted.

ESCH, WISCONSIN, NOMINATED BY HARDING I. C. C.

WASHINGTON, March 11.—Former Representative John J. Esch of Wisconsin, and Mark W. Potter of New York, were nominated today by President Harding to be members of the interstate commerce commission.

William H. Joyce of Los Angeles, was renominated for membership on the federal farm loan board.

Medical Director Edward R. Stitt was nominated to be surgeon general of the navy. At the same time the president named Captain Charles B. McVay, Jr., to be chief of the bureau of ordnance with the rank of rear admiral.

Thomas G. Marvin of Massachusetts, was nominated to be a member of the tariff commission and William S. Culbertson of Kansas was renominated as a member of that commission.

Fred Morris Dearing of Missouri was nominated to be assistant secretary of state.

Three brigadier generals in the marine corps were renominated to their present rank. They are Smedley D. Butler, Logan Peland and Harry Lee. Clarence C. Chase of New Mexico was nominated collector of customs for district No. 24. Other nominations included Chaplain John Thomas Axton to be chief of chaplains of the army with the rank of colonel; Colonel Gustave Lusk to be a member of the Mississippi river commission, and Ernest Lester Jones of Virginia, to be a director of the coast and geologic survey.

WASHINGTON, March 11.—The nomination of D. H. Crissinger of Marion, Ohio, to be comptroller of the currency was confirmed today by the senate.

The senate later confirmed the nominations of Mr. Dearing, Mr. Culbertson, Captain McVay and Ernest Lester Jones. It also confirmed the renomination of Elmer D. Ball to be assistant secretary of agriculture.

PORTLAND, Ore., Mar. 11.—The A. Rupert company which operates a string of canneries in the Willamette valley and in southern Oregon, was today placed in the hands of a receiver in state circuit court. Shrinkage of about 35 per cent in the value of canned goods was held by complaining creditors to be responsible for the company's alleged financial distress.

Circuit Judge Kavanaugh appointed Lloyd L. Mutt to take charge of the affairs of the company. The complaint was made by the Eugene Fruit Growers association.

According to the petition of the Eugene association, the company owes \$1,118,894.

The petition also asserts that the federal government has threatened to take action in order to collect \$17,000 said to be still owing on the company's 1919 income tax.

The company's assets were estimated in the growers' petition as \$209,000 in canneries and a stock of canned goods, and materials worth \$750,000. The liabilities were placed at \$750,000 in open accounts and \$670,000 owing to other creditors.

For six weeks the company has been unable to meet its obligations according to the petition which asks that a receiver be appointed in order to avoid a multiplicity of suits growing out of the firm's scattered activities.

ASHLAND LOSES TO EUGENE IN A CLOSE GAME

Granite City Tossers Make Good Showing in the State Tournament, Final Score 20 to 24—Astoria and Bend Also Eliminated.

WILLAMETTE UNIVERSITY, SALEM, Ore., Mar. 11.—Elimination of the Astoria, Bend and Woodburn high school teams was the result of yesterday's preliminary in the state basketball tournament.

Astoria struck a snag when she drew the heavy Salem quintet, who won 42 to 12.

The fight but scrappy five from Bend threw a scare into McMinnville's hopes in the first half of their battle, holding the latter 14 to 12. The west sideers increased the lead to a 32-21 score in the next period, however.

Franklin high topped up as likely contenders by their 35-18 victory over Woodburn. Chappie King, Quarter pilot was the shooting star of the afternoon, annexing eight field baskets.

Harey and Jackson, varsity basketball players, officiated in the opening game.

Dewey's Baker high tossers came from behind in the second half of last night's battle with Melalla and won, 25-17. It was the most hotly contested game of the tournament so far, with neither side showing superiority until R. Stoddard, Baker center, recovered his shooting eye and dropped in six field baskets.

Hoppper high was outclassed by Marshfield in the second of last night's tournament contests and lost, 44-19.

Eugene defeated Ashland high, 24-20, in a rugged exhibition which completed the first day's tournament play. The Eugene quintet showed a superior brand of team work and drew away from Ashland until a last minute spurt netted the losers three additional field baskets. Harding and Guthrie starred for their respective teams. The line-up:

Eugene: Heer, 3; Murray, 6; Guthrie, 8; Harding, 6; Ramsey, 4; Young, 2; Daugh, 2; Aitken, 2; Taylor, 2.

CHINK MURDERER GAME TO LAST

RAWLINGS, Wyo., Mar. 11.—Yee Gow, Chinese murderer, went to his death early today with a smile on his face. The death trap was sprung at 12:24 o'clock and death was pronounced thirteen minutes later. Yee Gow was convicted of the murder of Thomas Holland at Cheyenne, September 10. Several requests for clemency were made to Governor Carey, who at the last moment appointed a committee of doctors to examine his sanity. He was pronounced sane.

He refused to make a statement.

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Klamath Falls Bank Closed January 12, To Open Up Monday

KLAMATH FALLS, Ore., Mar. 11.—The First State and Savings bank closed here January 12 by the state bank superintendent. It will re-open Monday, said Captain J. W. Siemens, president, today.

Local subscriptions of \$15,000 to new stock and \$100,000 obtained from Portland and San Francisco banks as additional reserve funds will make the re-organized bank stronger than ever, said Siemens.

The bank was one of the largest in southern Oregon with deposits of upward of a million when it closed.

REVOLUTIONISTS DEMAND SOVIET SURRENDER CITY

LONDON, Mar. 11.—Revolutionary authorities at the fortress of Kronstadt have sent an ultimatum to the soviet authorities in Petrograd, demanding the surrender of the city before March 25. If the city is not given up, the ultimatum declares, there will be a general bombardment. It is asserted in an Abo, Finland, dispatch to the London Times, Wholesale arrests and executions of workmen are said to have occurred at Grandenbaum, Svaleriak and Petrograd.

Kronstadt last night sent out a wireless dispatch denying bolshevik statements that the fortress was without food, says a telegram from Stockholm.

"Artillery fire from Kronstadt has been extremely well directed," the wireless dispatch is quoted as saying. "The fortress of Todichen and all other soviet batteries on the Karelian peninsula have been completely demolished. Two of the four 42-inch guns at Krasnoye Gorka have been silenced by shells from the battleship Petropavlovsk. Krasnoye Gorka has been isolated, the railroad to it has been destroyed and a thaw has placed the surrounding marshes in such condition that the fortress has been cut off from the rest of the bolshevik forces."

A great anti-bolshevik movement in the vicinity of Minsk, White Russia, is reported in a Reuters dispatch from Helsingfors. Soviet troops are said to have mutilated and murdered bolshevik commissaries there.

Another dispatch mentions street fighting between the bolshevik and anti-soviet units in Kiev.

LONDON, Mar. 11.—Reports from Brazil today state that Brazilian revolutionaries are forming a government there to include representatives of all the anti-bolshevik parties, which soon will enter Lima.

The flood of Russian refugees over the frontier has suddenly ceased, the reports say, and it is presumed the soviet authorities are preventing any one from leaving Petrograd.

CHICAGO, March 11.—Steps to bring about reductions in the wages of skilled employees probably will be taken by many railroads throughout the country as soon as adjustments can be made in the pay of unskilled workers, according to officials of the Association of Railroad Executives.

Such reductions, it made, will be handled individually by the various roads in the same manner that present announcement of cuts in pay for unskilled men now are being made. It was said, with no attempt at concerted action by the railroads.

It became known that the association

GENERAL R.R. WAGE CUT IS ANNOUNCED

Practically All Railroads in Country Announce Reduction in Wages of Unskilled Labor—Reduction for All Skilled Labor to Follow Shortly.

A CUT THROUGHOUT FROM PRESIDENT DOWN.

CHICAGO, March 11.—The Chicago and Great Western railroad, which yesterday announced that it would seek congressionally concerning wage reductions for its unskilled employees, today announced that it would propose a 25 per cent reduction for all employees of the road, from the president down.

The Great Western is first of the western roads to announce a proposed wage reduction for all employees.

NEW YORK, March 11.—A general move by railroads to cut war time wage scales appeared to be in full swing today. Following the lead of several lines which earlier had announced cuts, the New York Central and New York, New Haven and Hartford railroads, in the east and virtually every railroad in the west, announced wage reductions yesterday.

Officials of various lines today were arranging conferences with employees in an effort to reach agreements on the proposed reductions.

The plans affect only unskilled and semi-skilled labor. Men engaged in the actual operation of trains, telegraphers and station agents are not included.

Reductions were announced throughout the country with a statement "that changed conditions necessitate changed wage scales."

All reductions are based on the federal labor board's awards of last July when a \$60,000,000 increase was granted to 5,800,000 workers. These increases favored for the most part unskilled and semi-skilled labor.

CHICAGO, March 11.—The Chicago and Alton railroad will take steps in a short time to reduce the pay of its employees, President Beard announced today. The reductions will be made to bring about an ultimate reduction in freight and passenger rates which "are more than the public can bear," he said.

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BUILDING IN EAST BEGINS TO REVIVE

NEW YORK, March 11.—The first definite sign of improvement in the building trade throughout the country is found in the February building returns to Bradstreet's announced today. These show a total expenditure in 146 cities for the second month of the year of \$77,840,102. While this is a decrease of 25 per cent from February, 1920, it is a gain of 32 per cent over January of this year.

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DRY LEADER SHOWS WAY TO PREVENT USE WINE AND BEER FOR MEDICINE

BOSTON, March 11.—Three ways of overcoming what he terms the erroneous opinion of former Attorney General A. Mitchell Palmer that beer and wine can be prescribed as a medicine were outlined by Wayne R. Wheeler, general counsel of the Anti-Saloon League of America here today.

"First," he said, "we will ask the attorney general to reverse the opinion."

"Second, we will endeavor to get the remaining nine states that have no enforcement codes to do what the other dry states have done and prohibit the prescribing of beer for medicinal purposes."

"Thirdly, we will ask congress to change the law in this respect if it is necessary to do so.

In the meantime, the brewers cannot make any real headway until the new regulations are made and then only in very small quantities as it can only be used in nine states under strict limitations."

"The brewers think it will be open season for the old time beer trade under Mr. Palmer's decision, they will be greatly mistaken," continued Mr. Wheeler.

"The National Medical Association has gone on record repeatedly against intoxicating liquors as medicine. Beer has no therapeutic value. It is simply booze and that is all there is to it."

CALIFORNIA-OREGON PLAN IS APPROVED

SAN FRANCISCO, Mar. 11.—The reorganization plan of the California-Oregon Power company, which is designed to reduce its indebtedness from \$16,225,496 to \$7,475,252 was approved today by the state railroad commission. The company's properties are in southern Oregon and northern California.

The re-organization plan calls for the sale of the California-Oregon Power company to a re-financing group incorporated under the same name.

LOCAL WITNESSES ARE CALLED TO L. ANGELES

A number of Medford people departed this morning in "Shino" Edward's car for Yecla, en route to Los Angeles to attend the trial in court there of Frank L. Main, which it is understood is of such local interest, and which begins next Tuesday morning. In the party were Sheriff Terrell, F. J. Newman, Mr. Clark, M. P. Thompson "Bud" Wolgamott, Frank Treckaway will make the journey to Los Angeles by train. Mrs. Jack O'Connor and two children also went in the car as far as Yecla, where they will visit.

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