

The Weather

Forecast: Unsettled with rain tonight; Saturday cloudy with slowly rising temperature. Highest yesterday 63. Lowest this morning 34.

MEDFORD MAIL TRIBUNE

Paid-Up Circulation

People who pay for their newspapers are the best prospects for the advertiser. A. B. C. circulation is paid up circulation. This newspaper is A. B. C.

Twenty-eighth Year

MEDFORD, OREGON, FRIDAY, APRIL 7, 1933.

No. 14.

BEER BREAKS MEDFORD BROUGHT

Comment on the Day's News

By FRANK JENKINS

IN THESE days of business uncertainty, here is a figure you should find interesting: Of all the farms in the United States, only 42 per cent are mortgaged. Putting it the other way around, 58 per cent of all the farms of this country are unencumbered in any way.

HERE is another interesting figure: The federal land bank of Wichita, covering Colorado, Kansas, New Mexico and Oklahoma, reports that at the end of January, 1933, 87 1/2 per cent of the 30,700 farm loans held by it in those four states were in good standing with all sums due on them paid in full.

Again putting it the other way around, only 42 1/2 per cent of the loans held by this federal land bank were in default in any way.

IF THIS ratio holds good for the country as a whole, it means that only 42 1/2 per cent of 42 per cent—or about 18 per cent—of all the farms of the country are behind with their mortgages.

FARMING, as everybody knows, has been about as hard hit as any business in this country. If it is true that only 18 per cent of the farms have mortgages that are in default, it is a pretty fair showing for the business capacity of the farmers of the United States as a whole.

HERE is another interesting statement, which would not be news to anybody who is reasonably informed: Nine-tenths of all the business transacted in this country is done by means of checks—that is to say, by bank credit.

That statement, you see, has quite a bearing on the subject of inflation of the currency.

WHY does it? Well, it's like this: If nine-tenths of our business is done by bank check, why do we need more money in circulation?

The answer is that we DON'T. What we need is more bank credit—and bank credit, as you know, is based upon bank deposits. About ten dollars in bank credit, in normal times, is based upon each dollar of bank deposits.

In order to have more bank deposits, we need more CONFIDENCE.

HOW are we going to get more confidence?

To this write, it has seemed for some time that the answer to that question is this: By government guarantee of bank deposits.

It might cost something to do that, but if it resulted in increased bank deposits, with corresponding increases in the amount of bank credit available, it would be worth a LOT.

WHILE we are on the subject of figures, here are some more that are interesting: From 1923 to 1925, deposits in federal reserve member banks turned over 32 times per year. From the fall of 1925 to 1929, when the stock market crash came, turnover of deposits in these banks increased to 45 times per year.

In the last quarter of 1932, turnover of deposits in federal reserve member banks dropped to 16 times per year.

WHEN business is going good, money turns over rapidly. When business ISN'T so good, money turns over more slowly. That is to say, we actually need less money in bad times than in good.

Most people think of it as the other way around. That is because in bad times money is dearer and harder to get—in other words, it takes more of what we have in order to get a given amount of money.

AS YOU have read often in this column, the wheat farmer who borrowed a thousand dollars say five years ago really borrowed a thousand bushels of wheat—because back in those good days wheat was selling on the farm at around a dollar a bushel.

If he has to pay back his loan NOW, with wheat in the interior selling on the farm at around 15 cents a bushel, he has to pay back something like SEVEN THOUSAND bushels.

That comes hard.

WE HAVE good brains in this country. Some day, perhaps, these brains will be able to figure out a

39 LICENSES TO DISPENSE BEER BY CITY COUNCIL

First Taste Accorded Thirsty in Early Afternoon—'Speaks' Shut Doors On Advent of Legal Potion

Beer arrived in Medford this afternoon in all its foaming, golden glory shortly before 2 o'clock. The first shipment arrived at the Pierce Auto Freight truck rolled into Snyder's dairy from the Weinhard brewery, Portland, where it had stood in the refrigerator since yesterday noon. A small shipment also arrived from the north for Gold Seal creamery and reinforcements from the south were crossing the Siskiyou shortly after 2 o'clock, bringing in foam from San Francisco.

Beer went on sale at 2:30 o'clock this afternoon, and by dinner time tonight an almost adequate supply will be flowing from retailers and dispensers' counters. It will cost 10 cents a glass.

Delivery Speeded Workmen at local wholesale houses were moving at top speed at 2 o'clock checking in the new beverage and preparing it for delivery to retailers and dispensers, who started their cries for beer at sun-up this morning. Licenses were granted 39 dispensers, retailers and wholesalers by the city council at the special meeting last night and the ordinance adopted Tuesday night was amended to allow entrance into the beer selling field of several persons originally excluded.

Under the amendment adopted last night no person or firm, convicted of violation of the liquor law or criminal law or ordinance of this city during the past three years, will be granted license to sell beer. Few other restrictions are included in the ordinance, except to control the moral standing of places where beer is to be handled.

Next Beer Causes Furry So anxiously was the new beverage awaited that a barrel of beer, rolled into the Brown Cafe cellar late yesterday evening, all but inspired a riot. It was reported today: Several thirsty souls interpreting the keg as the arrival of new beer followed it into the cafe and billiard hall on East Main street, demanding that it be tapped. They were informed that "it isn't legal yet." This morning the keg was tapped and out flowed the "soon to be forgotten" near beer of home dry days, to the great disappointment of onlookers.

Preceding the legalized beer's unquestioned arrival several speakers closed voluntarily last night, people who are within the inner circle, announced this morning. Those which haven't closed will be forced to do so in the immediate future as the drive of authorities gets underway to bring back into licensed channels the profits, which have been going untaxed into the pockets of bootleggers and operators of "home brew" joints.

Home Brew Passes Only licensed firms will be permitted to sell beer, and they, only the new beer. Home brew, the well known malt product, went out of the picture at 12 o'clock last night. With the easy flow of beer through regulated channels, it is believed, business, formerly enjoyed by unlicensed houses will be so decreased that little more will be needed to accomplish

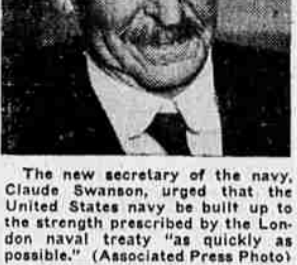
(Continued on Page Eleven)

Graphic Story by Akron Survivor Shows Balloon A Wreck Before Crashing

Terrific Lurch Loosened Girders Declares Member of Crew Testifying Before Congress Naval Committee

WASHINGTON, April 7.—Four hours before he went to his death in the Atlantic on the Akron, Rear-Admiral William A. Moffett said the ship was much better than the Shenandoah—the other air giant of the navy that went to disaster in Ohio.

Wants Bigger Navy



The new secretary of the navy, Claude Swanson, urged that the United States navy be built up to the strength prescribed by the London naval treaty "as quickly as possible." (Associated Press Photo)

MYSTERIOUS TAPS NEAR BANKS' CELL KEEP JAILER BUSY

Mysterious tappings in the courthouse last night after midnight kept Chief Jailer Fred Kelly alert and exercising vigilance. The tapping, which sounded like pounding on concrete was first noticeable about 1 o'clock, and awakened Jailer Kelly.

He went to the law library, directly under the cell holding L. A. Banks, accused murderer of Constable George J. Prescott, on the theory that someone might be attempting to gouge a hole through the wall. Later he went to Banks' cell and found the prisoner sound asleep. Hourly visits were made to Banks' cell and each time he was unawakened.

This morning it was discovered that the tapping noise was made by a workman in putting new curtains in the courthouse, and that it necessitated poking holes with a chisel on each side of the window.

Banks is now suffering from a sore throat and slight cold. A cold cure from the jail medicine chest was given him. His prescription for medicinal liquor has not yet been filled. Banks was reported as having had a stormy session with counsel yesterday.

It was announced yesterday by Attorney Knight that Banks and his wife, Edith R. Banks, would enter plea of not guilty when arraigned Monday. This action was not unexpected, and does not preclude Banks from later entering the plea of "not guilty by reason of insanity." It is expected that Banks will offer a plea of self-defense, and that he is acting in "defense of his castle." It is possible that Banks may use all three pleas.

Courthouse reports say that Banks objects to an insanity plea because of his extreme vanity. State officials are silent on what evidence they have collected, or the number of witnesses they will call. They will contest an insanity plea, if entered, with evidence that Banks transacted business and performed national duties almost up to the time of the slaying, and they expect to show he "was a profound egotist, given to homicidal threats," and not insane within the Oregon laws covering the point.

The matter of whether Banks and his wife will be tried separately or together will be decided later.

Army Man Worried "I stayed in the control car until about 10:30 and then went in the navigator's compartment, and an army colonel was there. "He seemed quite perturbed about the weather and I assured him there was no cause for alarm as I had witnessed electrical storms of more intensity in the Shenandoah. "At 11:05 I went back to my station on '70 starboard.' "I was there only a moment or two looking down across the gangway when I noticed that every lightning flash seemed to center on the air-speed or radio antenna (I don't know which) that is located at or

(Continued on Page Eleven)

OLMSCHIED TAKES OATH AS SHERIFF MONDAY MORNING

Man Named to Assume Schermerhorn's Post Remains Silent Until Gov. Meier's Order Executed

Certificate of appointment by the governor of Walter J. Olmscheid as sheriff for a 90-day period, starting next Monday, April 10, was received this afternoon from Salem by the county clerk.

In accordance with the governor's order, Olmscheid will assume the office Monday after taking the oath of office and qualifying. The order of suspension is based upon three points in the findings of Judge W. M. Duncan: That Schermerhorn was aligned with a faction under strong suspicion of ballot theft; That he was under the influence of the leaders; And that, because of this, he failed to act with firmness and clarity in the maintenance of law and order, particularly in reference to the ballot thefts.

Steps are under way for the turnover of the cash in the sheriff's office, up to the close of business tomorrow night, under the direction of C. T. Haines, auditor of the county books. Attorney Frank J. Newman, representing Schermerhorn, said this morning that he had no announcement to make as to future plans or legal action, if any, but that a decision would be reached later. Olmscheid said today that his appointment was a surprise, and that he would make no plans or appointments until after inducted into office.

The naming of Olmscheid met with general public approval, though a few thought it should be somebody else. Olmscheid, who has taken no active part in local politics, is a thoroughgoing, conservative and quiet type. He has been adjutant of Medford post of the American Legion for two years and is associated with C. T. Fenswald in the insurance and realty business. Olmscheid has lived here four years.

Before naming Olmscheid, Governor Meier made a quiet investigation of his qualifications, temperament and experience, and endeavored to name a neutral man, as far as possible in the turmoil.

Ousting Expected The ousting of Schermerhorn was not unexpected, and was forecast by the evidence submitted at the hearing. In addition, the governor received a report on evidence not revealed at the hearing. Schermerhorn, a resident of this county for nearly 40 years, is well known.

DAFFODILS NEEDED FOR FLOWER SHOW

Everyone who has daffodils, or other spring flowers is asked to cooperate with the Medford Garden club tomorrow by bringing either single flowers, bouquets or sprays and branches of flowering shrubs to the Chamber of Commerce between 8:30 and 9 o'clock in the morning.

Exhibitors are asked to furnish their own containers. Mrs. Lewis Ulrich, Mrs. H. F. W. Spitzer, Mrs. George Phythian, Miss Helen Bullis, Miss Ann Livingston and Mrs. L. Bundy will be in charge of the display and visitors are urged to view the flowers at any time after 9 a. m. to 9 p. m.

It is hoped by Mrs. A. E. Reames, and her committee that everyone who has especially fine flowers bring an exhibit of them tomorrow, especially those who have fine daffodils and flowering shrubs.

PLANE CARRIES BEER TO KLAMATH THIRSTY

KLAMATH FALLS, Ore., April 7.—(AP)—Beer was served in Klamath Falls this morning by one pool hall at 7:30 a. m. The shipment of 100 gallons was brought here from San Francisco by plane at 7 a. m. A truck-load is due in at 5 p. m. today and a carload at 10 o'clock tonight from the same city.

No Discord Here



Rumors of differences between Hoot Gibson and his wife, Sally Eilers, were spiced when the couple appeared together at a Hollywood dancing party. (Associated Press Photo)

SALEM BEER GONE HOUR AFTER OPEN

SALEM, April 7.—(AP)—A broken pump extended the sale of beer until 12:15 o'clock here this noon at Kahle's cigar store at which time no arrest had been made for its sale.

The supply of 32 gallons lasted about an hour, but more will be placed on sale either there or at some other places here this afternoon.

A jubilant, but orderly crowd, jostled for positions while awaiting arrival of the "golden stream." A sign "We Are Backing Up Our President," was displayed in the store. The proprietor said it was ludicrous if Salem, the center of world hop production, should ban the sale of 32 beer.

SHORT WEEK BILL HITS SENATE SNAG

WASHINGTON, April 7.—(AP)—Reconsideration of the senate's action in passing the Black 30-hour week for industry was moved in the senate late today by Senator Trammell (D., Fla.), thereby holding the measure from going to the house until action on the motion. Trammell did not state his reasons on the floor, but later told newspapermen he objected to the bill prohibiting domestic manufactured articles from moving in interstate commerce hours made by labor working longer hours and not at the same time applying to foreign goods.

RUSSIAN EMBARGO ON BOOKS APRIL 18, VIEW

LONDON, April 7.—(AP)—The government's Russian embargo bill went to the house of lords today after receiving final approval of the house of commons. It is expected to become effective April 18, but the government made it clear it hoped never to have to use its provisions.

DEPOSIT GUARANTEE BILL COMES MONDAY

WASHINGTON, April 7.—(AP)—A banking reform bill based on the principle of the Glass banking measure and carrying a 100 per cent bank deposit guarantee plan will be introduced by Chairman Steagall of the house banking committee Monday. The measure's principle was endorsed by the Alabama Democrat to have the approval of the administration.

PINCHOT BALKS VOTE ON DRY LAW REPEAL

HARRISBURG, Pa., April 7.—(AP)—Governor Pinchot today vetoed the bill which provided for a state convention to ratify repeal of the 18th amendment. The governor said the measure was not a fair bill.

JANET GAYNOR AND WRITER HUSBY QUIT LOS ANGELES, April 7.—(AP)—Janet Gaynor, diminutive movie actress, was granted a divorce today from Lloyd Peck, screen writer, formerly of Oakland.

CRATER CARAVAN APRIL 23RD WILL FEATURE OPENING

Chamber Plans Monster Parade to View Scenic Wonder in Winter Setting—Winter Sports Promised

Definite plans are being perfected today by the Chamber of Commerce for the staging of a monstrous caravan to Crater Lake on Sunday, April 23, it was announced by President W. S. Bolger this morning. For the past several weeks the Chamber of Commerce has been bending its efforts toward the early opening of Crater Lake from this side and arrangements made with the state commission a snow plow has been working for practically a week opening up the highway from Union Creek toward the park entrance. Latest reports are that work had progressed five miles by last Wednesday night and it is confidently expected that the complete road to the park entrance will be opened some time next week.

Earlier Opening Chamber of Commerce officials are happy over the outcome of these efforts, as it means that the entrance on this side will be opened very much earlier than has been the experience of the past few years. It is reported that the arrangements which have been arranged for Sunday, April 18, but on account of the fact that it will be Easter Sunday the Chamber of Commerce has decided to postpone the trip in order not to interfere with the religious services which will be held in the city on that day.

While the only arrangements which have so far been made have been to officially name the date and decide to promote a caravan, it is expected that the various clubs of the city will be organized in order to promote competitive winter sports, and many other novel and entertaining ideas will be advanced probably be injected into the program.

To Be Largest Caravan No guess can be made as to the number of cars which will participate in the event, but the Chamber of Commerce is determined to make the caravan the largest which has ever left Medford at any time. Many splendid publicity features will be worked out within a day or two and, together with other phases of the caravan, will be announced as soon as arrangements are completed.

The opening of the road at this early date will be of tremendous benefit to local merchants as the summer resorts will be able to open up earlier and business with Medford merchants will naturally result. The early opening of the road will also have a tendency to promote earlier tourist travel and agencies and others interested in the tourist industry will be advised that here will be no need to delay a trip to Crater Lake this year.

The Chamber of Commerce hopes to bring about the co-operation of Grants Pass and Josephine county, and it is believed that a large number from our sister city will join the caravan.

KLAMATH FALLS, Ore., April 7.—(AP)—The Klamath entrance to Crater Lake will be open to the public today.

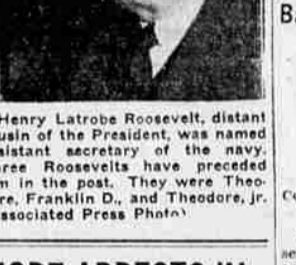
Thump of Bung Starter Heralds Return of Beer For Parched Americans

Jubilee and Jollity Widespread While Foes Voice Warnings Against Excesses Wide Variance in Price Noted (By the Associated Press)

The thump of bung-starters on countless kegs drummed a long-lost beverage back to the American scene today. Lawful 3.2 per cent beer was sold in the District of Columbia, lifted a ban more than 13 years old. Jubilee and jollity were widespread among friends of the beverage; its foes voiced criticism and warning. Five minutes after beer became legal at midnight, a big truck, gay with festoons, rumbled to the service entrance of the White House, bearing two cases—a brewer's gift to the president. Mr. Roosevelt, who had retired, had indicated he will give the beer to friends.

Near Beer Dead On Broadway, New Yorkers paraded behind a hearse lettered "Near Beer is dead," while a band in bright Bavarian uniforms played dirges and drinking songs. "Surprisingly good," said Chicago beer connoisseurs as they celebrated "New Beer day." While 100,000 cases and 200,000 barrels sped to points of delivery there, cheering throngs crowded downtown streets, hotels and eating places. German societies in St. Paul, where beer flowed freely at midnight, took wagon up to Mr. Smith's Fifth street

Navy Assistant



Henry Latrobe Roosevelt, distant cousin of the President, was named assistant secretary of the navy. Three Roosevelts have preceded him in the post. They were Theodore, Franklin D. and Theodore, Jr. (Associated Press Photo)

MORE ARRESTS IN BALLOT THEFT TO COME SOON, WORD

New arrests and developments, and more guilty pleas are forecast in the ballot theft and Banks murder cases of this county, at an early date, as the concluding chapter in the legal proceedings, as the result of a thorough investigation launched before the ballots were stolen and destroyed. The authorities also plan to take action against rumormongers and threat makers. Public proof will be demanded of the first named. Two men—including one indicted for ballot theft—are purported to have uttered veiled threats. They will be hauled into court and asked "what they meant." Most of the rumormongers operate in the rural districts. It is also planned to place a check upon agitators who travel about the countryside, fanning anew the fires of prejudice.

Officials decline to reveal any of their plans, except that further action will probably be taken.

Incidentally, when time allows, a thorough investigation will be made of bondsmen relative to their qualifications. In the case of Fred C. Englehardt, documentary evidence unearthed will be presented the immigration department for further investigation, and action.

Returns have been received by the officials from the national bureau of fingerprints at Washington, D. C., on some of those accused in the ballot thefts. Most of the lot have no previous record. The government records show that one has been involved twice before on burglary charges. His identity was not made public, except that he was one of the secondary "master minds" of the bunglesome ballot theft plots.

NOTRE DAME PRESIDENT BELIEVED NEAR DEATH

SOUTH BEND, Ind., April 7.—(AP)—The Rev. Charles L. O'Donnell, C. S. C., president of the University of Notre Dame, stricken with a throat infection remained in a serious condition today after receiving the last rites of the Catholic church.

Pendleton Beer Lasts Briefly

PENDLETON, Ore., April 7.—(AP)—All Pendleton beer was in the hands of private consumers or eating houses by 7 a. m. today and most of it had disappeared within a few hours thereafter, leaving Pendleton, with one of the two breweries in Oregon, practically "beerless" on the first day of legalized sale.

WILL ROGERS says:

BEVERLY HILLS, Cal., Apr. 6.—Loving aviation like I do and believing in it like I do, this loss was a terrible jolt. My main friend among them was Admiral Moffett. We had been to two disarmament conferences together. I could always go to him and get a little inside news on what the conference was trying to do. He was a grand soul. Moffett was the "propeller" of naval aviation. Now don't fly off and say that aviation is not safe or not practical. There is certain things nature can do to you whether it's an earthquake in California, a flood in Mississippi, a tornado in Ohio or a drought in Arkansas. When nature enters into it, don't criticize. Yours, Will Rogers

MORE INFLATION NEEDED IS HINT FOR ROOSEVELT

Bankers, Insurance Heads of Conservative Type Talk Mild Raising of Prices and Refinancing Operations

By PAUL MALLON. Copyrighted by McClure Newspaper Syndicate.

WASHINGTON, April 7.—Some conservatives have been whispering in Mr. Roosevelt's ear that what we need right now is a little more mild inflation.

Believe it or not, the subject was taken up at the White House by certain bankers and insurance company heads who called recently. They came out with a beguiling announcement that they talked about railroads, but dropped not a word about the most important subject of their visit. They told the president they thought three billion in baby bonds could be sold in the country at this time on a prosperity restoration wave. They said Mr. Roosevelt's popularity could put it over. The money thus taken out of hoarding could be used for public works.

Some promised to handle the pending refinancing of liberty bonds at 2 1/2 or 3 per cent. That would mean a saving to the government of 1 1/2 or 1 3/4 per cent in interest charges on two billion dollars. It sounded fairly good. Mr. Roosevelt promised to think it over.

That inside development occurred about the same time that the senate agriculture committee went whole hog for inflation. But that is another story. The real reason the committee voted 15 to 0 to call on Mr. Roosevelt urging inflation was to show their lack of confidence in the president. (Continued on Page Three)

BURCH SUCCEEDED BY ROSEBURG MAN

PORTLAND, April 7.—(AP)—C. A. Brand of Roseburg, orchardist and former Douglas county representative, and George B. McLeod, Portland lumberman, were appointed to the state board of higher education last night by Governor Meier. Brand succeeds Albert Burch of Medford, who resigned several months ago, and McLeod succeeds Edward C. Pease of The Dalles, whose term expired.

Brand is a brother of Circuit Judge Brand of Coos county and has for years been prominent in affairs of the state.

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