

The Weather
Forecast: Cloudy tonight and Friday.
Not much change in temperature.
Temperature:
Highest yesterday 55
Lowest this morning 42

MEDFORD MAIL TRIBUNE

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Twenty-eighth Year

MEDFORD, OREGON, THURSDAY, MAY 11, 1933.

No. 43.

DENIAL BY BANKS IS REVELATION

Lindbergh Baby Seen by Gaston Means Before Slain He Testifies

Comment on the Day's News

By FRANK JENKINS
YOU hear this statement often—of course, for your own peace of mind: "Money is scarce in the community right now?"
Why? What has become of it?
AND you have noted, naturally, because you couldn't have avoided doing so, that bank deposits, which represent the accumulated capital of the community, are quite far down from the totals of 1928 and 1929?
Again, just why? Where has the money gone?
WHY are times good and money plentiful under certain conditions, whereas under certain other conditions times are hard and money scarce? What happens to bring all this about?
These questions, which occur to all of us, were answered in an unusually clear and interesting way the other day by an intelligent business man. An attempt will be made to reproduce his explanation.
You will find it quite worth while.
MONEY comes into the community in return for the things we sell beyond our own boundaries. Money goes OUT of the community in return for the things we BUY from beyond our own boundaries.
The money we spend among ourselves doesn't affect the total in any way. It just passes from hand to hand.
THE money we receive in this community from beyond our own borders comes chiefly from lumber and agricultural products. There are a few other sources, of course, but they are small.
The money we send out of the community goes for a variety of things—clothes, household utensils, farming implements, automobiles, gasoline, jewelry, tires, such foods as we consume but do not produce etc. The net is a long one.
In normal times, the money we bring in exceeds the money we send out. But in the past few years, the money we send out has exceeded the money we bring in.
Hence the amount of money in circulation has declined—become scarce, in other words.
LET'S offer a simple illustration. Imagine a rain barrel, with water running in from a spout that leads from the eaves and with water running OUT of the bung. As long as more water runs in from the spout than runs out through the bung the barrel fills up.
But just as soon as the stream coming in is smaller than the stream running out through the bung the barrel begins to EMPTY.
IN normal times with lumber selling at fair prices and in fair volume, and with agricultural products selling at fair prices and in fair volume, the stream of money coming into this community is larger than the stream going out.
But in recent years the lumber industry has been slack, with prices down and demand slow, and while production of agricultural commodities has held up in reasonably normal volume the price has been scandalously low.
Hence the amount of money brought in by sale of crops has declined. Meanwhile, we have gone on sending OUT the money for the commodities we have to have but do not ourselves produce.
The result is that more water has run IN through the spout, and so the barrel is beginning to become empty. That is why money is scarce. That is why bank deposits have run down.

BOWNS TESTIMONY CASTS NEW LIGHT ON MURDER TRIAL

Accused Man Told Police Captain Third Man Shot Prescott, Ran From House—Auditor Tells Threat.

EUGENE, Ore., May 11.—(AP)—The state rested its case this afternoon and Defense Attorney Longman at once moved for the dismissal of the charges against Mrs. Banks, on the ground that absolutely no pertinent evidence against her had been adduced. The jury was sent out during the argument.
EUGENE, Ore., May 11.—(AP)—Testimony by a state witness that Llewellyn A. Banks, 62, on trial for the slaying of George Prescott, Medford constable, had denied that he shot and killed the officer, was offered in circuit court here today as the state's case against completion. Captain Lee Bown of state police, testified that Banks, former Medford publisher and orchardist, told him a short time after the slaying: "I didn't kill Prescott. It was a third man who ran out of the house. When the time comes I will reveal his name."
There had been no previous indication that the slaying of Prescott had been denied by Banks with his wife was indicted for first degree murder. Prescott was shot to death at Banks' house when he tried to serve a warrant on the newspaper editor.
What notice the defense will take of this testimony was not indicated. Banks' attorneys had previously declared they would not attempt to controvert the state's testimony that Banks shot and killed Prescott, but would try to show that the defendant fired the fatal shot after he had been driven to a point of desperation by persecution at the hands of county officers.
Letter Ruled Out
The Banks statement was the highlight of the morning which saw several important clashes between state and defense. The "Mother to Daddy" letter was ruled out by the court after Mrs. Margery Satterlee, former Banks secretary, identified Mrs. Banks' handwriting. A lengthy argument followed between counsel but Judge Skipworth ruled out the note on the grounds that no time of the dismissal of Mrs. Satterlee, said that it did not refer in particular to the officers.
Edward K. Thomas, auditor for the state industrial accident commission, revealed a damaging statement made by Banks two days before the killing. Thomas, called to the stand following the dismissal of Mrs. Satterlee, said he had called at the Banks home and asked for payroll papers on the Black Channel mine, of which Banks was president.
Banks Makes Threat
An accident had been reported there but no formal statement had been made. "I must have the payroll accounts," Thomas said he told Banks. "If you do not give them to me for inspection I will have to get out a subpoena."
"At this point," said Thomas, "Banks leaned forward in his chair and said, 'Why G— damn you, I would bust your head out or any other man's heart you came up to this door.' Banks then made a motion pantomiming the shooting of a rifle. I said, 'Surely, Mr. Banks, you wouldn't be so foolish as to do that.' Then a woman came in and I went out."
Surrender Related
Lee Bown, captain of the state police stationed at Medford, was next called. He told of a telephone call which informed him of the death of Prescott, and of a subsequent call from Mrs. Banks asking for Sheriff Schermerhorn or Deputy Sheriff Lowd to come for Mr. Banks.
Bown said he explained that both were out of town and after leaving the telephone to talk with her husband Mrs. Banks returned to say that Banks would surrender provided he would be taken to the Medford jail.
"I told her I couldn't make promises but after further discussion, she said that Banks would give himself up to me. As I left the station, Lowd drove up and offered to go along."
Tempted to Shoot Again
"When we got to the door I heard a bolt open and Mrs. Banks admitted us. Banks was in the dining room and we shook hands. He left his left hand in his pocket and I asked him if it was a gun. He said, 'No, if it was I might be tempted to use it.' Banks then nodded towards the door and said, 'That man tried to break into the house. He tried to force his way past Mrs. Banks and I shot him.'"
Bown then related the incident attendant upon the trip to Grants Pass with Banks. Phil Lowd accompanied them. They discussed the gun equipped car.

State Witnesses



Captain Lee Bown (above) of the state police, and Eugene K. Thomas, Medford police chief, photographed at Eugene trial of L. A. Banks for murder.

JAPS ULTIMATUM WARNS OF MARCH ON GREAT CITIES

Cease Opposition and Break Away From General Kai-Shek or Tragedy Will Befall Peiping Is Told.

PEIPING, May 11.—(AP)—A Japanese bombing plane roared over this, the forbidden city, today and from it rained handbills warning of war.
Chinese machine gunners opened fire, but the plane, at a safe height, completed its mission and flew away.
"Our army," said the handbill, "takes pity on your ignorant soldiers and delivers this solemn command: Cease opposing the Japanese and Manchukuan. Break away from Marshal Chiang Kai-Shek."
If the Chinese fail to heed the "solemn command," the warning said, "then:
The tragedy of Kuperkoff.
The tragedy of Kupeikow will occur in Peiping and Tientsin."
The import of that was clear enough to the two million residents of this city. There were many casualties at Kuperkoff.
The "Marschal Chiang" referred to a virtual dictator of the Chinese national government.
"Fellow Asiatics," was the salutation of the handbills. "Since we all speak the same language and belong to the same race, it continued, "we should live and prosper together. Why should we slaughter each other?"
If Chiang Kai-Shek continues to be violent and repent his error, it is feared that tragedy will befall Peiping and Tientsin.
Concern Created
The height at which the plane flew made futile the fire of the machine guns, manned by policemen; but though its flight was high and its only bombardment was of handbills, the bomber created much concern, not only among the Chinese, but also among the more than 1200 Americans quartered here.
"You Chinese soldiers," said the handbills, "merely being made sport of by Chiang Kai-Shek, who uses you to extend his personal power. Should you not separate yourselves from your army at an early date and become a new people, our great Japanese-Manchukuan allied army will advance."
"Your soldiers will be exterminated. Good and evil alike will come to harm. You will lose your stupid heads due to failure of Chiang."
Will not that be sad?"
Two Great Cities
Peiping and Tientsin are the great cities in the north China international treaty zone. Japanese airplanes dropped bombs during the day, reports said, on Shih-Hala and Chih-tan, only 40 miles from here; and yesterday they bombed Miyun, only 35 miles to the north.
The reference to Kuperkoff was obvious. The Chinese fought bitterly and at the expense of great casualties before finally being ejected from that city—the great wall gateway from Jehol to Peiping.
With the threat of war dropped on its doorsteps from the skies, the Chinese heard today a request from the province of Chahar, west of Jehol, for defense of that region.
A delegation from the province petitioned the military council to give them aid against a Japanese "western expedition" which is reported driving southward from the province toward Kalgai.
Only slightly more than half the boys of high school age in South Dakota are attending school, reports the state department of public instruction.

Door of Banks Home Is Important Link in Chain Of Evidence for Banks

Council on Both Sides Busy During Recess Lining Up Testimony for Final Stages in Murder Hearing

EUGENE, May 10.—(AP)—The trial of L. A. Banks and his wife, Edith Robertine Banks, charged with first degree murder, would be completed by next Wednesday was expressed today by Attorney Joseph R. Hammerly, one of the big guns of the defense battery of legal talent. Attorney Hammerly predicts that next Tuesday will be the final day. Assistant Attorney-General Ralph E. Moody stated in open court Tuesday, at adjournment, that the state would complete its case Thursday.
Counsel for both sides were busy all day Wednesday and far into the night, making ready for the final stages of the courtroom drama.
The defense, according to Attorney Hamnerly, will require two days, and he concluded by late Saturday afternoon. Monday will be devoted to rebuttal testimony of both sides, if any. Tuesday will bring the closing arguments, and the instructions of the court. Attorney Longman, Hamnerly and Enright are scheduled to make final pleas. Assistant Attorney-General Moody, a brilliant pleader and orator, will make both the closing addresses for the state. It is now planned.
Hammerly Ex-Resident
The Attorney Hamnerly is a former Gold Hill resident, and a member of a well-known southern Oregon pioneer family. He acted as special prosecutor, under appointment of the Oregon attorney-general, in the Dr. Richard B. Brumfield murder trial at Roseburg, ten or twelve years ago. Dr. Brumfield, a Roseburg dentist, was convicted of slaying Dennis Russell, a Douglas county hermit, and substituting the body for his own, in an insurance policy collection hoax. Brumfield, after a death sentence, committed suicide in a state prison death cell, and cheated the noose.
In the Brumfield case, as in the present Banks trial, the murder was admitted. Brumfield entered a plea of insanity, as the Banks defense now contemplates doing, according to press reports. Attorneys for Banks were quoted Wednesday as saying they would interpose a temporary insanity plea, based on a paranoiac angle, along with other lines of defense.
It is expected that the defense will attack the methods of the state police and officials, allege Banks was in fear of alleged threats told him by the followers, and contend that Constable Prescott, when he came to the Banks home, bearing a warrant for arrest on a ballot theft indictment, attempted to break down the door. The defense, it has been indicated, will contend that Banks "was persecuted to the point of de-

Pleads Insanity



Paul Oakley, 20-year-old itinerant backwoods preacher on trial in Lindbergh case, on charges of choking to death a three-year-old girl, pleaded insanity as a defense. (Associated Press Photo)

ACCUSED HOAXER NAMES KIDNAPERS, RELATES ACTIVITY

Two Unsuccessful Attempts Made To Deliver Child Is Claim — Mrs. McLean's Connection Bared In Story

WASHINGTON, May 11.—(AP)—Gaston B. Means, testifying in his trial with Norman T. Whitaker on charges of conspiracy in a Lindbergh ransom hoax, said today that at Alton, S. C., on March 22, 1932, he was shown the Lindbergh baby or one represented as such by "Wellington Henderson," one of two men whom Means earlier had described as the child's kidnapers.
WASHINGTON, May 11.—(AP)—Gaston B. Means told a jury in the District of Columbia supreme court today that the kidnapers of the Lindbergh baby made two unsuccessful attempts to deliver the child in Washington March 8, 1932, a week after he was taken from his parents' home.
Naming the kidnapers as "Wellington Henderson, head of the communist third international in this country" and "Irving Fenton," Means said Henderson told him the baby had been taken to the Georgetown home of Col. M. Robert Guggenheim, a friend of Lindbergh and that Guggenheim had refused to accept the baby.
Failed to Deliver
This occurred, Henderson was said to have reported, after the child had been taken to Mrs. Evelyn Walsh McLean's Maryland home, "Fairview" to find she was not there.
Means is on trial for conspiracy to defraud Mrs. McLean in a ransom hoax in connection with the kidnaping.
GOVERNOR IN EFFORT HALT FISHING STRIKE
ASTORIA, Ore., May 11.—(P)—Governor Julius L. Meier, accompanied by Mayor J. C. Ten Brock of Astoria and H. E. Moore, president of the Astoria chamber of commerce, conferred this morning with fishermen's strike officials at their headquarters.
It was announced following the conference, that Governor Meier had urged the fishermen to try and accept their differences with the packers by arbitration in view of the harm done to the communities affected.

FEHL AND OTHERS TO BE WITNESSES BANKS CHARACTER

EUGENE, May 10.—Four additional witnesses for the Banks defense have been listed with the Lane county clerk, as follows:
County Judge Earl H. Fehl, close personal associate, political ally of Banks, and indicted in the ballot theft case with bonds at \$15,000.
W. J. Emerick, former mayor of Medford and well known long-time resident of the city.
J. F. Reddy, "boom day" mayor of Medford, and long identified with southern Oregon mining development.
The four are reported to have been called as character witnesses.
Other witnesses, listed with the Lane county clerks, for the defense are:
Henrietta B. Martin, catapaw of Banks, in his political campaign, "Good Government Congress" president, and at liberty under bonds on a buggy-whip assault indictment.
Arthur La Dieu, former business manager of Banks newspaper, indicted for ballot theft, and at liberty on \$7500 bonds.
Walter Jones, mayor of Rogue River, indicted for ballot theft, at liberty on \$7500 bonds.
Suspended-Sheriff Gordon L. Schermerhorn, indicted for ballot theft, and at liberty on \$7500 bonds.
L. O. Van Wagon, indicted as aide of Mrs. Martin in the buggy-whipping case, and at liberty on \$1500 bonds.
Amos W. Walker, deposed deputy sheriff.
Mrs. Ariel Burton Pomeroy, intimate friend of Mr. and Mrs. Banks, and active in the "Congress."
R. A. Boyce, Tolo district farm youth, Mrs. Mae Murray, and her daughter, Effie Lewis; P. M. Morrison of the Ashland district, John Wheeler of Medford, A. J. Cox of Medford, and B. R. Harwood, Medford photographer, and Dr. F. G. Swedenburg of Ashland, a personal and business friend of Banks.

ENGLAND BITTER TOWARD AMERICA BANKERS REPORT

NEW YORK, May 11.—New York banks have confidential reports from England that feeling over there is extremely bitter against the United States. Our failure to pay British holders of American bonds in gold was an excuse for the outburst of pent-up emotion. The British are convinced that the depreciated dollar is a threat to their actual economic existence because of its effect on their trade.
Mr. Roosevelt's suggestion for a tariff truce until the world economic conference is not expected to get official British approval. Important political and financial interests there favor an aggressive trade war as their only hope of salvation.
The Anglo-American trade agreement is extremely significant from this angle. Britain decided at the Ottawa conference that she would hold onto her supremacy in Argentina no matter what it cost.
Buttlers are philosophic about the growth of commercial and financial relations between the United States and Canada. They figure that physical proximity makes that inevitable. But they intend to use Argentina as a base for a vigorous campaign to take our South American business away from us by way of compensation. They figure that Argentina will eventually dominate the southern continent.
British investments in Argentina are at present about five times as great as ours. They own all the Argentine railroads. Our capital interests there are chiefly in small traction, telephone and meat packing concerns.
On the other hand the best estimates say that our investments in Canada are now larger than England's.

DRY CANDIDATE S ARE NOMINATED

Announcement was made today that G. Homer Billings and Rev. Sidney W. Hall of Ashland and Charles C. Hoover and Colonel W. H. Payne of Medford are dry candidates for delegates to the Oregon state convention on repeal of the 18th amendment to the federal constitution. The election is to be held July 21.
Hunter Eversonized.
SALEM, May 11.—(P)—A jury organized Alouisa Oodon of manslaughter charges here late yesterday in connection with the fatal shooting of Gordon Lacey in a hunting mishap near Silverton last month.

MRS. FEHL SUES NIEDERMAYER ON STORAGE CLAIMS

Suit was filed in justice court late yesterday afternoon by Electa Fehl against Niedermeyer, Inc., for collection of \$236 rental allegedly due the Fehls for storage for the Niedermeyer printing equipment, which was moved from the Fehl building Tuesday and Wednesday.
The complaint filed by Mrs. Fehl alleges that a rental of \$50 a month was reasonable storage of the machinery, and that there had been an agreement between the Fehls and Niedermeyers that \$250 was due for rental.
Niedermeyer had the printing equipment stored in the Fehl building since the building was bought by the Fehl interests at a mortgage sale.
The suit by Fehl is continued by Niedermeyer to mean that Fehl admits Niedermeyer owns the printing equipment. Fehl had a writ of attachment issued against the machinery which is stored on North Grape street in the old People's Electric store warehouse.

OREGON HIGHWAY PROJECTS LISTED

SALEM, Ore., May 11.—(AP)—A list of highway projects totaling \$25,000,000 which would employ 10,000 men for the next two years was sent to J. M. Devers at Washington, D. C., by Highway Engineer R. H. Baldock today upon receipt of a telegram requesting information. Devers, attorney for the commission, is at the national capitol to assist in securing funds for road projects in Oregon.
The \$25,000,000 sum could be used almost at once, Baldock said, and it would require about two years for completion of the long list of jobs. All of them would be under contract within eight months, should the money be made available under the proposed plan in the president's public works program, Baldock said. This would employ about 10,000 men for almost a two-year period.
Dairying led all other farm products as an income producer in Tennessee in 1932.
The only loss in the production

NEW YORK JEWS MARCH IN PROTEST ON HITLER

NEW YORK, May 11.—(P)—If Adolf Hitler's ears ring today he may blame the Jews of the city of New York.
They paraded, 100,000 of them, protesting the German government's attitude toward members of their race; and 200,000 other men and women, of all races, watched from the curbs.
It was the parade of Jews; but an Irishman, Gen. John F. O'Ryan, was grand marshal. Another, Mayor John P. O'Brien, stood more than four hours on the city hall steps as the long line passed in review.
All creeds and races participated; but it was primarily the protest of the Jews of the city which has the largest Jewish population of any in the world.
"We want Hitler," said one placard. It was carried by a group representing an organization of undertakers.
The only loss in the production

BASEBALL

National.	R.	H.	E.
Cincinnati	6	10	0
Brooklyn	7	12	0
Derringer and Lombard, Manion; Bengt, Shaute and Pielnick, Sukeforth.			
American.	R.	H.	E.
Boston	1	6	0
Cleveland	4	10	0
Andrews, Welch and R. Ferrell; Harder and Myatt.			
Pacific Coast.	R.	H.	E.
Washington	3	9	0
St. Louis	3	9	0
Stewart and Sewall; Hadley and Ruel.			
West Coast.	R.	H.	E.
New York at Chicago, Philadelphia at Detroit, postponed; fog grounds.			
Planes cannot be flown over Argentine territory without permission of the ministry of war, which demands a description of the flight's purpose and its route.			

SCHUMACHER TO BE RECEIVER IN BANKS' AFFAIRS

In the bankruptcy of L. A. Banks and Edith R. Banks, on trial for first degree murder, and the Suncrest Orchards, Inc., James A. Fee of the United States court at Portland has appointed George Schumacher of this city receiver for all of the properties of the alleged bankrupts. It was learned here this afternoon.
The order provides "that he is hereby authorized and directed immediately to enter into possession of all real and personal property belonging to said alleged bankrupts, wherever the same may be found; collect and preserve the same until further order of this court."
The order means that Schumacher as receiver will take possession of all that Banks, wife and the Suncrest Orchards own or have owned during the last four months. Attorney Frank DeBouza explained when announcing the action of the court. It will effect all foreclosures, pending suits and conveyances of the past four months, previous to date.
One-fourth of all fires in Cincinnati last year were caused by careless smokers, the underwriters' salvage corps reports.



WILL ROGERS SAYS:

WASHINGTON, May 10.—The senate was not in session Tuesday so the country got a break. Everybody down here is feeling mighty fine since the president's speech. Talked to a lot of what used to be old line Republicans. Why, they are the most rabid Democrats we got now.
You know I don't believe there is a thing that this man Roosevelt couldn't put over if he was amind to. He is so strong with the people and so convincing over the radio that if he ever got in a fight with congress all he would have to do is to take it to the people, via the air, and he would lick any of 'em. Yours,
Will Rogers
(1931) McLaughlin Brothers, Inc.

Toll Bridge Man Robbed In Night

HOOD RIVER, Ore., May 11.—(P)—Although city and state police were on the scene within a few minutes after the robbery, they found no trace last night of two bandits who robbed Lon Norton, night attendant of the interstate bridge toll office. Norton lost \$55. A similar robbery oc-

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