

The Weather
 Forecast: Unsettled with rain tonight and Saturday. No change in temperature.
 Highest yesterday 43
 Lowest this morning 31

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Twenty-eighth Year MEDFORD, OREGON, FRIDAY, JANUARY 12, 1934. No. 250.

ROOSEVELT SIGNS \$2 LIQUOR TAX



News Behind The News
 (By Paul Mallon)
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 WASHINGTON, Jan. 12.—When Mr. Roosevelt started out last March to endure free-for-all questioning at his press conferences, the newsmen snickered. They thought that would last about a month or at the most two.

They had experience with such things and Mr. Roosevelt had not. They recalled Mr. Harding once tried it and got involved in complications with the Japanese about interpretation of a treaty.

All other presidents have required the Washington correspondents to submit questions in writing in advance. The president's already selected the ones they cared to answer, and discarded the rest.

The newsmen are about ready now to confess they were wrong. Perhaps no one else could get away with it, but Mr. Roosevelt has.

For nearly eleven months now the system has proceeded without interruption, and the president has kept out of court.

The last conference was typical. He was questioned first by a group of newsmen, who are specialists on railroad financing. Only an expert on that subject could know what it was all about. He answered all questions except one, and on that he insisted that it was a technical issue beyond his knowledge.

Then came a more technical argument about the intricacies of water diversion under the St. Lawrence treaty. He knew things about that also, which only the experts could understand.

At other times he has shown just as intimate an acquaintance with corporation financing systems and other subjects.

The conclusion is inescapable that he either knows his business extraordinarily well, or he knows how to create the impression that he does.

Fencing This does not mean he answers all questions frankly and completely. He ducks and parries possibly half of them and this is rather to be expected, because no one expects him to confess all.

BILL WILL BRING \$500,000,000 IN ANNUAL REVENUE

Stamp Provision Takes Effect Thirty Days Later—Beer \$5 Barrel—Wines Ten Cents Gallon

WASHINGTON, Jan. 12.—(AP)—President Roosevelt announced today that he signed the \$500,000,000 liquor tax bill shortly before midnight, thus making the major provisions of the measure applicable on today's sales.

The measure raising the levy on whisky from \$1.10 a gallon to \$2. This was the first bill passed this session and Mr. Roosevelt lost no time in making it a law.

The measure is expected by treasury and congressional leaders to provide from \$400,000,000 to more than \$500,000,000 a year.

The legislation reached the desk of Mr. Roosevelt just before 7 o'clock last night. He referred it to treasury officials for a quick checkup and signed it at 11:50 p. m.

Effective Today. The bill became effective today, with the exception of the stamp provision.

This requiring a one-cent internal revenue stamp to be attached to every container of liquor to show the tax has been paid, takes effect in 30 days, but if the secretary of the treasury finds within 20 days it would be impracticable to do that he would be given an additional month to put it in force.

The \$2 a gallon rate on distilled spirits also included wine containing more than 24 per cent alcohol. The present rate is \$1.10.

Beer \$5 Barrel. Other levies are: Beer \$5 a barrel against \$6 now; wine, 10 cents a gallon up to 14 per cent alcohol, now 4 cents; up to 21 per cent, 20 cents; 20 to 24 per cent, 40 cents; 40 cents, now 25.

Champagne 5 cents a half pint against 12 cents; artificial carbonated wine and liquors and cordials containing wine fortified with brandy, 2 1/2 cents a half pint against 6; grape brandy and wine spirits used in fortifying wine, 20 cents a gallon against 10.

Occupational license taxes on brewers are reduced from \$1000 as provided in the beer act of last March, to \$100, or \$50 on breweries producing less than 500 barrels a year.

Unveil 'Hidden Face' In Contest Of Will



For the first time in 20 years the features of Margaret Keith, wealthy eccentric, were revealed to other humans during a Los Angeles court contest over the provisions of her will disposing of an estimated \$1,000,000 estate. Miss Keith, who constantly wore a heavy veil, committed suicide and left the bulk of her estate to a nephew, Albert C. Allen, Jr., of Medford, Ore. This is one of the few photos of her known to exist and was taken more than 20 years ago. (Associated Press Photo)

VALLEE'S DIVORCE QUEST UPHELD BY NEW YORK COURT

NEW YORK, Jan. 12.—(AP)—A unanimous decision upholding Rudy Vallee was handed down by the appellate division of the supreme court today in denying Fay Webb Vallee an injunction to prevent Vallee from suing her for divorce in Mexico.

The decision sustained a ruling made last month by Supreme Court Justice Isidor Wasservogel, in which he denied Mrs. Vallee's plea for an injunction.

At that time Mrs. Vallee pleaded she had learned her husband was planning to seek a Mexican divorce and she protested that her interests under a separation agreement would be jeopardized.

She claimed Vallee's income was about \$350,000 a year and that he had an estate of \$3,000,000, but Vallee replied his income had shrunk to about \$30,000.

Policy Unwarranted. He said the dividend policy was "absolutely unwarranted both from a legal and business standpoint."

Asked for his opinion about group banking, he said he "presumed" it could be successful but that the Michigan group's operation was "vitious."

Ferdinand Pecora, banking committee counsel, mentioned discussions about reopening the Union Guardian Trust company, and the examiner said: "Why it would have taken Houdini to open that bank."

BANK EXAMINER CLAIMS HOOVER TIED HIS HANDS

White House Order 'Not to Rock the Boat' Blocked Closing Michigan Chain Is Allegation at Quiz

By NATHAN ROBERTSON Associated Press Staff Writer
 WASHINGTON, Jan. 12.—(AP)—A White House command "not to rock the boat" was described to senate investigators today as the cause of the government's failure to act during the Hoover administration on examiners' reports of bad banking conditions.

Alfred P. Leyburn, chief national bank examiner, testified before the senate banking committee that the controller of the currency did not act on his reports of bad conditions in the Guardian banks of Michigan "because he was told by the higher command not to do anything to rock the boat and not to have any more bank failures."

He explained later he meant the secretary of the treasury and the White House by the expression "higher command."

Ford On Stand. Earlier, Rufus Ford had testified to his father's refusal to extend further aid to the Guardian banks in the Detroit hours before the Michigan bank holiday last February.

He confirmed evidence presented to the committee that Ford not only refused to give additional aid to the Guardian banks but threatened to withdraw \$25,000,000 of deposits in the five Detroit banks' group if the Guardian banks were closed.

The Ford group already had poured millions into the banks, Ford said, adding they decided "we wouldn't go any farther."

Leyburn testified the government had done all it could to save the Detroit banks and that criticism of the government's part in the situation came "from the politicians up there who want to make pawns of the depositors."

Government Aided. "The R. F. C. has been accused of being the big bad wolf that came up and closed the banks," he said. "The fact is the government gave every bit of help it possibly could. Most of that talk comes from the politicians up there who want to make pawns of the depositors. I'm not referring to present company, Senator Cozens."

The chief examiner laid the Michigan crash to "bad management" to the serious conditions in the Union Guardian Trust company and the American State bank.

"And when you say bad management you've said a mouthful," he added.

FRENCH ROYALISTS PLAN DIRECTORATE IS PREMIER'S HINT

Troops Held Ready to March On Paris to Stamp Out Disorders—Pandemonium in Chamber of Deputies

PARIS, France, Jan. 12.—(AP)—Premier Camille Chautemps warned the nation today that the royalist riots over the Stavisky scandal held the threat of a coup d'etat to establish a "directory."

Thousands of troops were held ready to march on Paris if necessary to stamp out the disorders, which have occurred in a protest against alleged complicity by government officials in the Bayonne pawnshop collapse which cost the French public more than \$40,000,000.

Pandemonium in Chamber. The president of the chamber of deputies adjourned the body suddenly this afternoon in the midst of a pandemonium which broke out when Deputy Jean Ybarnegaray charged that "the police assassinated" Serge Stavisky, head of the pawnshop, to hush the case and protect higher-ups.

Premier Chautemps jumped to his feet, waved his arms, and protested that Stavisky killed himself when secret services surrounded him last Monday and pleaded he would make a "personal investigation" of the affair.

The chamber previously had been twice suspended because of the noise in the hall.

When adjournment came, hundreds of deputies continued to yell, slam their desk tops and ruck about.

Royalists Dispersed. While the disorder continued in the chamber of deputies, the gendarmes of Paris made determined efforts to see to it that the embittered royalists whom they had bottled for hours on Tuesday and Thursday were kept away from the chamber.

During the night they had cleaned up all possible weapons, such as the iron grating guarding shade trees, the pieces of wrecked lamp posts, and broken canes. Even the gravel from the trees, and which had been thrown by handfuls, were carted away.

State taxes on dogs are now due in Jackson county, it was announced by officials today, with a request for early payment. The city of Medford will receive 30 per cent of the license collected within the city and the balance will be used in enforcing the dog ordinance.

Licenses this year amount to \$1.00 for male dogs and \$1.50 for females. They are obtainable at the county clerk's office.

SOVIET ENVOY ARRIVES IN U. S.



Saying that he would work for world peace, but refraining from comment on trade or other international affairs, Alexander A. Troy, soviet ambassador to United States from the soviet union, arrived in New York on his way to Washington. On the same boat was William C. Bullitt (right), American envoy to Russia. (Associated Press Photo)

HONOLULU, Jan. 12.—(AP)—Honolulu still thrilled today over the record-breaking mass flight from San Francisco of the United States Navy's seaplane squadron under Lieut.-Commander Kueffer McClinnick.

Rounds of entertainment for Commander McClinnick and his 29 officers and men were planned as they rested from their 24-hour dash which ended as the six planes of the squadron sliced the water of Pearl harbor yesterday.

Through darkness, fog and other hazards of overseas flying the squadron came through without a slip, in what the navy insisted was merely a "routine movement," and Commander McClinnick himself described as "just another all-night hop."

The civilian population of Honolulu, however, refused to accept such a matter-of-fact view. On the streets and elsewhere conversation indicated the very ease and precision with which the squadron accomplished its task supported the opinion that a regular air route to the mainland had been blasted.

Intense interest was evidenced in the declaration of Delegate McCandless of Hawaii in Washington that the success of the flight paved the way for regular airmail and passenger service to the mainland "in the near future."

SALES TAX ADOPTED BY MISSOURI SOLONS
 JEFFERSON CITY, Mo., Jan. 12.—(AP)—The legislature sending liquor control act and a sales tax measure to Governor Guy B. Park, prepared today to end tonight the longest special session in Missouri.

The liquor measure will repeal the state's 13-year-old "bone dry" law.

George Belmont, 17, and James E. Cook, 31, are being held in the city jail by the state police pending investigation concerning the automobile which they were driving. At the time of their arrest, the men had a 1933 Michigan license on their car. In the car was found 1934 California license plates and 1934 Minnesota state license plates.

LUMBERMEN HURL SERIOUS CHARGES IN CODE HEARING

Secret Meetings, Price Fixing and Unfairness Among Claims of Coos Bay and Inland Mill Operators

WASHINGTON, Jan. 12.—(AP)—Charges and counter-charges of "secret meetings and price fixing" and "unfairness" were made in a lumber code hearing today as the Coos Bay, Ore.) Lumber company and inland mill operators jockeyed for advantageous positions in the battle for the California lumber business.

William Denman, attorney for the Coos Bay company, in demanding a formal open hearing at which witnesses could be examined, declared a plan "mathematically devised to ruin a company that has been delivering lumber to California for more than 25 years" was being made by demands for a \$5 uniform compulsory rate for lumber on the coast.

"It is outrageous," Denman declared in arguing for a formal hearing, "that we should be forced to charge the same \$5 rate from Coos Bay to San Francisco, a distance of slightly more than 300 miles, as from Tacoma to San Diego, a distance of more than 1200 miles."

The Coos Bay company charges approximately \$1.25 per 1000 feet of the haul.

Classing the testimony received at the hearing as "so much bla-bla generalities," Denman demanded the admission of subpoena witnesses that could "testify to the facts" and records "that will show the exact conditions on the coast."

PORTLAND, Ore., Jan. 12.—(AP)—As a result of an admission from Washington, D. C., that he put his business house in order, instructions which resulted in the forced resignation of H. E. Walter, his assistant, L. P. Lipscomb, state manager of the Home Owners' Loan corporation, today was spurred to further action.

Thirty-four resignations from the Oregon staff were on his desk, and five of these had been accepted. The remaining 29 employees may be re-employed.

The move was the result of a request by him for resignations of every employe in the Portland office.

FOREIGN BLUE EAGLES BARRED BY TREASURY
 WASHINGTON, Jan. 12.—(AP) The treasury today ordered all customs collectors to refuse entry and delivery of any foreign merchandise bearing the NRA blue eagle.

Area of Oregon blue eagle was 286,541 square miles and included Washington, Idaho and parts of Wyoming and Montana.

HAWAII THRILLED BY DARING FEAT OF NAVY ARMEN

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FORD OPTIMISTIC BUSINESS BOUND FOR HIGHER PLANE

WASHINGTON, Jan. 12.—(AP)—Eugene Ford said in an interview today that business conditions "look very, very good" and that the Ford Motor company expects a "75 per cent pickup" over 1933.

"I don't want to make any predictions," the youthful appearing motor magnate said, but 1934 business, so far as automobiles are concerned, looks so much better we are all very happy about it."

He added that he based his optimism for 1934 partly on the fact that the January schedule for the Ford company is bigger than for any month in 1933. He pointed out that January is usually a bad month.

Asked how the NRA would affect conditions, he said: "So far as wages are concerned, the NRA is bound to be a stimulant. The automobile industry is on a 40-hour basis and wages have been increasing generally up to what our wages have been."

"It is bound to help employment. All those additional workers, not only in the automobile, but other industries, help purchasing power."

Ford gave his views on the business situation after concluding his testimony before the senate banking committee which is inquiring into the closing of Detroit banks.

He said his appearance had been quite a strain. "You can't help but be nervous," he remarked with a smile. The young multimillionaire said he was leaving Washington immediately for Detroit.

1829 CARS FRUIT SHIPPED TO DATE
 Fruit shipments to date from this valley, according to Southern Pacific freight figures, total 1,728 cars of pears (apples and canners), and 103 cars of peaches.

Pears, remaining here in storage January 10, according to Traffic association figures, were 481 cars. Apples in storage on the same date were 103 cars.

The 1932-1933 shipments of apples were 207 cars. With the apples in storage and those shipped, the 1933-1934 season will be about the same.

Pears shipped in the 1932-1933 season totaled 2,845 cars. Pears in storage and shipped the present season total 2,207 cars.

F. AND F. G. BANK NAMES OFFICERS
 At the regular annual meeting of stockholders of the Farmers and Fruitgrowers Bank last evening, the old board of directors was re-elected, consisting of Delroy Getchell, Gus Newbury, C. E. Gates and F. E. Wahl.

It was the unanimous opinion of the stockholders that general business conditions had improved very materially during the past year.

During 1933 the deposits of the bank increased eighteen per cent.

Following adjournment of the stockholders meeting, the directors met and re-elected Delroy Getchell, president; C. E. Gates, vice-president; F. E. Wahl, cashier; and J. E. Reynolds, assistant cashier.

MILK INTERESTS READY FOR MEET
 E. G. Harlan, chairman of the Oregon milk control board, will be accompanied upon arrival here for the hearing to be held at the court house tomorrow, by Burge W. Mason of Klamath Falls, and J. D. Mickle, executive secretary, of Salem, the Chamber of Commerce was informed today.

Preparations for the hearing were nearing completion with the preliminary meeting for interested groups in session this afternoon. Milk distributors, producers, representatives of the neighborhood stores, and representatives of the downtown stores, held meetings to formulate their requests and assemble facts and figures to be presented tomorrow.

The hearing will be held in the county court house auditorium beginning at 9 o'clock tomorrow morning, and all milk producers, distributors and other interested groups are expected to be on hand.

JURY FOR WYNEKOOP TRIAL SOON SEATED
 CHICAGO, Jan. 12.—(AP)—A jury was completed today to try Dr. Alice L. Wynkoop for the operating table murder of her daughter-in-law, Rheta.

The completion of the jury came after less than two hours of questioning today, under the urging of Judge Joseph B. David for speed. Seven of the 12 were chosen yesterday and the routine questions were abbreviated today to obtain the remaining five.

MARKS SLATED FOR EDUCATION CHAIRMAN
 SALEM, Jan. 12.—(AP)—Election of Willard Marks to the chairmanship of the state board of higher education was expected to be one of the orders of business at the meeting of the board in Portland Monday, it was declared here today. Marks is now serving as vice-chairman.

Business Trend Exceeds Favorable Expectations

NEW YORK, Jan. 12.—(AP)—Business trends thus far in January forecast a more favorable first quarter than was previously estimated, the Dun & Bradstreet weekly trade review said today.

"In all parts of the country," asserted the review, "there is pronounced uniformity to the reports of the unexpectedly high level at which retail sales are being maintained, in spite of the nearly record proportions of the December business."

Babe Will Take Deep Salary Cut Coming Season
 NEW YORK, Jan. 12.—(AP)—Babe Ruth sprang a surprise on the baseball world today by coming to agreement with the New York Yankees on salary terms for 1934, involving a substantial reduction from \$52,500 to \$35,000.

The veteran slugger came to terms quickly with Colonel Jacob Ruppert, the club owner, and will sign a formal contract Monday.

(Continued on Page Eight)

Will Rogers says:
 RIVERSIDE, Cal., Jan. 11.—Did you ever drive one of these "sulks" in a trotting horse race? Well they got old David Harum sitting straddle of a horse's tail out here on the Riverside track and if you think that hasn't got it on all auto driving you are wrong.

I am getting just about old enough and crabbed enough to take up the grand circuit, so look out, Goshen and Lexington, young Pop Geers is coming East.

We have our radios, autos, golf, bridge and a million contraptions, but all of it don't pay for the thrill missed in stepping out in the red wheel buggy and high steppers.

You could be a pretty poor type of lover, but the horse made up for it. That's how a lot of us was able to go out of our class and get the wives we did.

Will Rogers
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