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Twenty-eighth Year

MEDFORD, OREGON, THURSDAY, JANUARY 25, 1934.

No. 261.

The Weather Forecast: Unsettled with rain tonight and Friday. No change in temperature.



By PAUL MALLON Copyright, 1934, by Paul Mallon

WASHINGTON, Jan. 25.—Mr. Roosevelt played the senate opposition to his money bill as an angler plays a trout. The poor fishes did not have a chance.

The man who held the pole for him was Senator Jim Byrnes. He counseled the president to give in to nearly anything Senators Glass, McCaddoo and Gore wanted when the bill was in committee.

Apparently he took some private steps to see that his promise came true. The day after the newspapers announced that McCaddoo was opposing the bill in committee, McCaddoo received so many telegrams that the telegraph companies had to put on additional help to handle them.

No one can ever prove that the administration had anything to do with the backing of McCaddoo. Maybe it was just a spontaneous movement among California Democrats.

The truth about the banking and currency committee is that it is stacked with conservatives. Carter Glass with his strong personality, dominates it. He has less weight with the senate as a whole.

That is why Byrnes played out the line in committee and schemed to tighten up in the senate.

He explained the concessions by whispering around the president that he asked for more than he expected to get. That was a rather lame excuse.

The concessions were largely unimportant. The change which makes the bill an emergency measure will not interfere with anything the president had in mind to do before two years.

Byrnes evidently will be the next Democratic floor leader of the senate. At least the administration inner circle is so confident he will that the fact is accepted as a foregone conclusion.

There is nothing about a change under discussion now. The inner circles are merely looking at the matter as a long time expectation to come about naturally within the next few years.

Indeed, there is some discussion about Byrnes becoming the heir apparent to the Roosevelt throne in 1940.

That is NOT idle gossip. It has been discussed in the highest quarters. Byrnes fits in very closely with Roosevelt's idea of what a statesman should be.

The money professors did not make much of an impression on senators at the recent hearing.

Professor Rogers got along better than Professor Warren, but both talked in such a vague manner that even such money students as Mr. Adoo and Glass could not understand the problem. It may be that the professorial style which confused the senators, but the suspicion left was that perhaps this money business is such an indefinite science that even the scientists themselves do not know much about it.

Glass wagged his head in amazement at Warren. He studied a committee and said with that peculiar ironical twist of his mouth: "I'm going to ask him to explain the Einstein theory next."

McCaddoo also openly complained. Every time he asked about the price of hogs in Seattle, Warren went back to the French revolution and never got quite up to the hogs.

They are now calling Gov. Adolph Miller of the federal reserve "the water boy of this administration."

Miller reluctantly came upon that title when Professor Warren was testifying. The professor was very, very thirsty. He was continuously calling for more and more water. He tried to hand his glass to a newsman, but the newsman was too busy to carry water to a professor.

Warren then pressed Miller, who was sitting nearby, and Miller went meekly to the cooler.

The house money hearings could hardly be called a smashing hit. One day last week the coinage committee had to adjourn without a hearing because none of the witnesses appeared. Professors Warren and Rogers later played to capacity houses before the senate committee, but both steered clear of the house committee.

Finally the chairman of the house committee dug up a governor of a federal reserve bank, but he talked to vacant chairs.

Notes Professor Rogers is shy about having his picture taken. He lectured photographers and admonished them to go away, saying: "I cannot see why you want to see my face to myself." He finally lost the argument and posed, as is customary. An official of the farm administration.

FAVOR CHANGE IN TAX ON INCOMES TO HOIST RETURN

House Committee Approves Revamping Rates to Bring in \$36,000,000 More Year—Ready Wednesday

By CECIL B. DICKSON

WASHINGTON, Jan. 25.—(AP)—The house ways and means committee today approved several items in a modified tax revision bill designed to raise \$200,000,000 additional in revenue, including a change in income tax rates to bring in \$36,000,000 more a year.

As originally presented to the committee, the bill was estimated to yield \$270,000,000 through tightening up of administration provisions of the income tax law.

Chairman Doughton (D., N. C.) announced the bill would be completed about next Wednesday. There are several important items yet to be passed upon.

Action came today after Secretary Morgenthau appeared before the committee in executive session to present the treasury's final views of the measure.

Compromising with the treasury, the committee retained the consolidated returns for corporations and their subsidiaries, but levied a 2 per cent penalty tax for consolidated returns over and above the existing 1 1/2 per cent.

In addition, it approved a levy of 35 per cent on "undistributed adjusted net income" of personal holding companies, estimated to bring in \$25,000,000 a year.

It also adopted with some slight modifications, its sub-committee's recommendation on capital gains and losses, estimated to yield \$30,000,000 annually.

The revision on personal income tax rates, estimated to bring in \$39,000,000 additional revenue, was only one of the several actions taken. More revisions remain to be made, so it can not yet be said how the entire bill will compare with existing law in revenue producing.

The changes detailed above, however, representative estimated to mean the treasury will take in \$200,000,000 more revenue than now, as compared with the \$270,000,000 additional that had been estimated as the bill stood in a previous committee stage.

FACTOR'S WIFE ON STAND AS WITNESS

CHICAGO, Jan. 25.—(AP)—Mrs. Della Factor, young wife of John Factor, wealthy market plunger, who was kidnapped in July, today identified a picture of Willie Sharkey, self-styled gunman as that of one of the kidnapers who seized her husband.

"That's the man who threatened me with a big gun," she told Prosecutor Wilbert Crowley identifying a double view photograph of Sharkey.

Mrs. Factor testified that the kidnapers, in a direct phone call to her toward the end of her husband's captivity, told her they were starting factor.

Roger Touhy, leader of the gang of which Sharkey was a member, and three henchmen are on trial here for "snatching" Factor.

FRUIT MARKETING VIOLATIONS EYED

SEATTLE, Wash., Jan. 25.—(AP)—The Northwest Fruit Institute, control committee, with representatives from Washington, Oregon, Idaho and Montana, met in executive session here today to consider violations of the marketing agreement signed October 28 under the agricultural adjustment act. There are about 30 men on the committee.

Although originally planned as a one-day meeting, the committee decided to hold sessions tomorrow.

Members said only routine matters were taken up at the morning conference.

LUMBER RULING COSTS 250 JOBS

DALLAS, Ore., Jan. 25.—(AP)—Immediate removal of 250 men from the payroll of the Willamette Valley Lumber company will be necessary, it was said here today, when the company conforms to NRA code regulation under yesterday's ruling in federal court in Portland.

Of this number, 170 will be laid off at the Dallas plant, and 80 at the same number of employees will continue on the payroll, preference being given on the basis of seniority and number of dependents.

Election Contested



The election last year of John H. Overton (above) to the United States senate from Louisiana was formally challenged by the women's committee of Louisiana which filed a protest with Vice President Garner. (Associated Press Photo)

DYNAMITE MAILED TO GWA OFFICIALS IN SALEM OFFICE

SALEM, Ore., Jan. 25.—(AP)—Arrival of two packages through the mail yesterday addressed to representatives of the GWA in Salem, Oregon, and containing dynamite is the cause of no little worry by those officials.

The first package was delivered by postman to Manager E. T. Barnes at the unemployment office. Upon opening it and discovering its contents, one dynamite stick, Barnes notified postal officials and GWA employees.

Meanwhile, a second package addressed to R. C. Churchill, GWA committee clerk, was received at his office. Churchill was not present so the package was turned over to Administrator Glenn C. Miles, who had already received warning from Barnes.

The second package was returned to the postoffice and when opened there revealed three sticks of dynamite and a piece of salt pork such as is being distributed by the relief office.

A postal inspector is expected here soon to begin investigation of the case, and try to trace down the sender with a force of policemen, detectives and department heads.

He announced his intention of remaining on the island until conditions were cleared up, narcotics and special privilege eliminated, and the federal rule of prisoner bosses broken.

CONDUCT CLEANUP IN WORST PRISON

NEW YORK, Jan. 25.—(AP)—The bleak confines of "Solitary" in sharp contrast to their accustomed luxury, today held nearly 100 of Welfare Island's overloads and their cohorts who until yesterday ruled New York's penitentiary in vicious style.

Austin H. McCormick, prison warden, commissioner of corrections who made a "raid" out of his initial inspection of Welfare Island, held the penitentiary in virtual military law with a force of policemen, detectives and department heads.

He announced his intention of remaining on the island until conditions were cleared up, narcotics and special privilege eliminated, and the federal rule of prisoner bosses broken.

PAULINE FREDRICK WEDS ARMY OFFICER

SCARSDALE, N. Y., Jan. 25.—(AP)—The marriage of Pauline Fredrick, stage and screen star, and Joseph A. Marmon, who gave his address as Washington, D. C., was disclosed today.

The couple drove here Sunday, arriving at noon, and the license was issued by Town Clerk Edward Jackson.

The record shows the actress gave her age as 30 years. She said she had been married three times.

Marmon is a colonel of infantry in the U. S. army.

PORTLAND PHYSICIAN TO FEDERAL PRISON

PORTLAND, Jan. 25.—(AP)—Dr. Richard Neubauer, Portland physician was today sentenced to a seven-year term at McNeil Island federal prison for repeated violation of the Harrison narcotic act during the past 11 months. He was convicted on nine of 18 counts. The maximum sentence under the law would have been 45 years in prison.

ROSE FESTIVAL CHIEF NAMED IN PORTLAND

PORTLAND, Jan. 25.—(AP)—Hilman Luedemann manager of the McCormick Steamship company, and member of the Port of Portland commission, was today elected president of the Portland Rose festival of 1934. The show will be held the week of

LEGION PRESENTS PLEA FOR HIGHER BENEFITS TO VETS

\$15 Pension for Widows of World War and Restoration of Presumed Service Origin Cases Are Pressed

WASHINGTON, Jan. 25.—(AP)—Liberalization of the economy actions of the independent office bill to provide another estimated \$40,000,000 for veterans' benefits, and removal of alleged inequities in automatic promotions for the military services, was urged today before a senate appropriations subcommittee.

With administration leaders believed to be opposed to veterans' legislation to expand the new benefits of \$21,000,000 ordered by President Roosevelt, Senator Reed (R., Pa.) and Edward A. Hayes, American Legion national commander, presented the veterans' case.

Should Be Permanent During the Legion's four-point program, Reed said the president had conceded two of the points, but he believed the new regulations should be made permanent law and not left to local boards of review, which he said in some instances had adopted "scandalous" rules.

The two points conceded by Mr. Roosevelt, he said, were restoration of the \$100-a-month for total disabilities of service origin and free hospitalization for veterans who cannot afford to pay for such treatment, regardless of the origin of their disabilities or disease.

In addition, he recommended a \$15 month pension for world war widows and restoration of cases presumed to have had service origin and which were wiped out by the economy act.

He estimated the two additional points would cost the government less than \$40,000,000. He said the program was part of the world war veterans' act which he wrote ten years ago.

Reed blamed "injustices" in the past to subordinates who wrote the regulations. He said President Roosevelt was not to blame for he had not time to attend to all these details.

AIRWAY OFFICIALS HERE FOR CONF AB

What happened at the conference here last night of federal airway officials and local city officers regarding the Medford airport situation could not be learned today, but a number of people were wearing smiles again, judged indicative of encouraging news.

Marshall C. Hoppin and E. L. Yuravich of the department of commerce, airways division, Basil B. Smith, airways supervisor of the GWA in Oregon, and Major Sandy, his assistant, attended the conference, which continued into the early morning hours.

The group met with City Superintendent Fred Scheffel and W. L. Campbell, field superintendent for United Air Lines.

GENERAL MOTORS NET EARNINGS INCREASED

NEW YORK, Jan. 25.—(AP)—Net earnings of the General Motors Corp. for 1933, announced today by Alfred P. Sloan, president, amounted to \$83,214,000, equivalent, after preferred dividends, to \$1.72 per share on the common stock. This compared with a net of \$168,000, or 9 cents a preferred share, in 1932.

CHILDREN FIND TWO FROZEN BY BLIZZARD

WINNIPEG, Man., Jan. 25.—(AP)—A blizzard which swept over a section of eastern Saskatchewan today had claimed the lives of an aged man and a 14-year-old boy.

School children found their frozen bodies, miles apart, on the prairie yesterday.

NEGRO YOUTH LYNCHED BY KENTUCKY MOB

HAZARD, Ky., Jan. 25.—(AP)—An intensive investigation of the lynching of Rex Scott, 20-year-old negro, was launched by Perry county authorities today. Scott was forcibly removed from the county jail here last night by a mob of armed men and hanged to a beech tree in a graveyard in Knott county adjoining.

Jailer Roy P. Combs, when informed the negro had been lynched an hour after his removal from the jail, telegraphed the details to Governor Ruby Laffoon at Frankfort, Kentucky law requires that the governor remove any jailer surrendering a prisoner to a mob and grant him a hearing to determine if he shall be reinstated.

Thirty or forty masked leaders of a mob of approximately 300 men who swarmed around the jail forced their way inside and threatened Jailer Combs with death if he did not surrender the key to Scott's cell.

Scott's cell was unlocked and he was dragged out of the jail and hustled into an automobile, which led a motorcade which bore other members of the mob out of the city.

Scott was charged with slugging Alex Johnson, a miner, on a side street here Saturday night. Johnson died at a hospital here two hours after the negro was found lynched. He had never regained consciousness.

Soup and Fish Not Needed For President's Ball

The Birthday ball for the president next Tuesday evening is not going to be a strictly formal affair in Medford. It was announced today by the general committee, in response to many reports that the "gentleman" in the family was of the opinion that he couldn't come unless he donned "soup and fish."

The committee is trying in every way possible to make the ball a county-wide event to be enjoyed by all people and there will be no restrictions, limiting attendance to formal attire.

It will be a semi-formal dance, which means those who wish to put on their "gladdest rags" may and the same alternative will be open to those who don't. Tickets for the dance have been priced at \$1.50 per couple, not \$1.75, as has also been understood in some groups.

A meeting of the ticket committee has been called for tonight at the chamber of commerce at 8 o'clock by C. L. Hopkins, chairman.

OFFICIALS PLAN WAR ON 'LEGGERS'

PORTLAND, Ore., Jan. 25.—(AP)—Federal, state, county and city officers will join in Oregon to drive the bootlegger from the state.

The forces of the law were mobilized here today at an unscheduled meeting of the state liquor control commission, and a preliminary plan of warfare against rum runners, bootleggers and the makers and peddlers of moonshine was discussed.

Responsible officials of the state police force, the sheriff's office and from city police headquarters attended the session. The commission feels that, although it will sell the best available liquor at the lowest possible price, bootleggers and moonshiners will continue to attempt to sell what they represent to be "just as good" or even better at prices less than those established by the state.

POLICEMAN'S LOVE COSTS HER \$7500

CHICAGO, Jan. 25.—(AP)—For the love of a policeman, Mrs. Myrtle Tarn Blackledge must pay \$7,500, a jury of 12 men decided.

Which, incidentally is considerably less than the \$100,000 value placed on the love of Norman Nottingham, patrol wagon driver, by his wife, Susanne, in her alienation of affections suit against the former collector of internal revenue.

Today three courses of action remained open for Mrs. Blackledge—pay the judgment, go to jail, or appeal.

As for paying the judgment, she disclaimed that as one of the possibilities herself last night when informed of the verdict.

"My, I haven't got 75 cents! I'll have to go to jail."

MISS KEITH SANE SAYS RETAINER

LOS ANGELES, Jan. 25.—(AP)—A milk and butter salesman who rose to the position of major-domo at Miss Margaret Keith's menage of mystery in Beverly Hills, testified today in the court contest of her million-dollar will, that he considered her sane.

The witness, Ralph Thurman, said Miss Keith, eccentric recluse who committed suicide last year, was paying him \$75 weekly salary when she discharged him and all her other employees in 1929.

Thurman said he "played post-office" with his employer, whom he spoke to only once a month, and left newspapers and letters for Miss Keith in a wire basket on her back porch. From the basket he took letters and notes of instructions, many of which counsel for Albert C. Allen, Jr., of Medford, Ore., to whom Miss Keith left her entire fortune, introduced as evidence of her sanity.

CLUES GIVEN BY KIDNAP WITNESS

ST. PAUL, Jan. 25.—(AP)—Two unnamed eyewitnesses, both women, who supplied the kidnapers of Edward G. Bremer when they seized the wealthy St. Paul banker, January 17, today supplied police with clues that might lead to ultimate apprehension of the gang.

One of the women, it was understood, witnessed the actual abduction from about 20 feet from where Bremer's automobile was halted. She related a story of a brief scuffle in the Bremer car as he apparently resisted the kidnapers, who have demanded \$200,000 ransom. His automobile later was found, the interior splashed with blood. The second witness was reported to have obtained the license number of the gang's car.

MEIER SIGNS BONDS THOUGH DIMLY TYPED

SALEM, Ore., Jan. 25.—(AP)—Governor Julius L. Meier, following refusal of State Treasurer Rufus C. Holman to retype two \$5000 bonds as requested by the chief executive, has signed the bonds in their original state.

Holman last week criticized the governor for delaying state business because he "didn't like the blackness of the ink used." The bonds were previously signed by Secretary of State Ross, who also asked they be retyped in conformity with the view of the governor.

Warrants Called. SALEM, Jan. 25.—(AP)—The state treasurer tomorrow will call for unpaid warrants dated December 4. The total, it was announced, would be for \$47,620.

GWA CONTINUANCE PLEAS CHOKES MAIL AT HEADQUARTERS

Administrator Declares Graft Denial His Last Word On Subject — Investigations of Charges Are Continued

WASHINGTON, Jan. 25.—(AP)—Pleas for continuance of the civil works administration and immediate restoration of working hours to 30 a week continued today to pour into GWA headquarters.

Officials said the letters had subsided to some extent, although extra clerks still were required to handle the mail.

Harry L. Hopkins, the administrator, indicated his statement last night, denying that graft had been found generally in the lower reaches of the organization, was his last word on the subject.

He said "there seems to be a widespread misunderstanding as to the extent graft is present in the civil works administration."

"As a matter of fact," he continued, "it is of small proportions in terms of the number of persons employed on civil works and the amount of money expended."

Investigation of charges of graft and political influence in various places is being continued by the administration and the department of justice, but officials said there were no developments.

The administration hopes congress will provide more funds soon so the fate of civil works may be determined.

Hopkins plans to return to the 30 hour schedule as soon as money is available. Last week he ordered a reduction in cities to 24 hours a week and in rural districts to 15 hours a week. There was danger of available funds running out before February 15.

President Roosevelt plans to ask congress soon for \$850,000,000 for civil works and relief funds.

TAX REFUNDS TO FIRMS ANNOUNCED

WASHINGTON, Jan. 25.—(AP)—Tax refunds totaling \$28,789,96 were made by the treasury department to the Portland Railway Light & Power company during the fiscal year 1933. It was revealed here today in a report by the department on refund of income and estate taxes in Oregon.

Other refunds of more than \$1000 include: Portland Electric Power company, \$23,100; Rogue River Timber Co., Klamath Falls, capital stock, \$12,155; Deveraux Mortgages Co., Portland, \$9091; Charles K. Spaulding, Salem, \$1946; Willamette Valley Lumber Co., Dallas, \$1752; Noyes-Holland Logging Co., Portland, \$13,794; Meier & Frank Co., Portland, \$2043.

GIRL SCOUT LEADER FORGETS TEACHINGS

ALBANY, Ore., Jan. 25.—(AP)—Miss Donna Gill, young school teacher, and devoted Girl Scout leader, unwittingly broke one of her own precepts and narrowly escaped death last Sunday, but was today well on the road to recovery.

Attempting to extricate a 22-caliber pistol from luggage in her car, she drew the muzzle of the weapon toward her. The trigger caught, and a bullet struck a rib just below the girl's heart and was deflected outward.

Capone Was Santa For Life Termers In Federal Prison

ATLANTA, Jan. 25.—(AP)—Al Capone, former Chicago gang overlord, played Santa Claus to 125 life termers at the federal penitentiary here Christmas.

The Atlanta Journal said today a man just released pictured Capone as a "nice man" who on Christmas day presented boxes filled with candy, cake and tobacco to his fellow prisoners.

Capone mends shoes in the prison shop.

Slain by Posse



An escaped convict who was killed by a posse near Paola, Kas., was identified as Bob "Big Boy" Brady (above). He had fled with five other convicts from the Kansas state penitentiary at Lansing. (Associated Press Photo)

COMMITTEE WILL DRAFT PLEA FOR INDIAN HOSPITAL

Committee to prepare Jackson county's application for site of the \$2,250,000 federal psycho-neurotic hospital for Indian wards on the northwest and Alaska reservations was named this afternoon by A. H. Banwell, manager of the Medford Chamber of Commerce and City Superintendent Fred Scheffel were investigating a site near Rocky Ann, which had been recommended as location for such hospital.

A wire was received by the Chamber of Commerce this afternoon from Lynn P. Sabin, assistant manager of the Portland chamber of commerce, in response to Medford's request for an endorsement from Portland. It asked that complete details regarding a local site be forwarded north and suggested that a perspective of same be prepared and forwarded to the Oregon delegation in congress.

Mr. Sabin added that he would be "assist Medford in any way possible, as he has Eugene, St. Helens and other, seeking location of the federal hospital."

Mr. Banwell wired the Oregon delegation in congress yesterday regarding the plan for location of a psycho-neurotic hospital in this state, announcing Jackson county's desire to be selected as site, and asking supply of the delegation. The wire also announced that complete data were being prepared and that further information regarding the government's plans would be appreciated, since all data to date has been obtained through the press.

Now, however, when the gold standard advocates demand that the president "stabilize" the dollar, they are urging him to depart from his avowed policy of keeping the purchasing power of the dollar constant and to substitute instead the old policy of defining the dollar as a fixed weight of gold. The president's supporters report that, to apply the term "stable" to a dollar which halved in value between 1913 and 1929, and which has since more than doubled in value, is clearly an attempt to deceive the public.

FARLEY CLEANING POLITICAL HOUSE

WASHINGTON, Jan. 25.—(AP)—Postmaster General Farley, now quietly engaged at the President's order in reorganizing the Democratic national committee today had before him a committee list showing about a score of members who hold either appointive or elective office or have been practicing law here.

Quietly, the Democratic chairman has been placing figurative pencil marks down the list, either approving or disapproving all memberships. Eight vacancies now exist on the committee, some through resignations. Other resignations are expected.

WILL ROGERS SAYS: BEVERLY HILLS, Cal., Jan. 24.—A good deal of Japanese news the last day or so. One day our eyes are turned to Europe (to see if the boys have any token payment); the next day it's Japan that draws our attention. We are going to have a crooked neck from trying to look both ways at once.

That old hostile baby over in Japan that was secretary of war, why he has resigned and their foreign minister Koki Hirota, why he seems to be about half peacemaker. He seems to kinder favor licking Russia first, then take care of us later. But this boy that resigned, he was for a double-header the same day.

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MONEY MEANING IS DEFINED BY ONE WHO KNOWS

Struggle for Control Between Stabilization and Sound Money Groups of Long Standing Says Professor

Editor Note: Prof. Willford L. King of New York University recently was named by Irving Fisher as one of the 19 men in the world "who understand the real meaning of money."

By Willford L. King Professor of Economics, New York University. (Written for the Associated Press.)

NEW YORK, Jan. 25.—(AP)—An interesting phase of the present controversy between the opponents and the advocates of the president's monetary policy is the struggle to capture or retain control of the two terms—"stabilization" and "sound money."

The latter phrase was appropriated by the McKinley cohorts as long ago as 1896, and, ever since that date, it has, in the public mind, been associated with the maintenance of our currency on a gold case. To the gold standardists, the retention of this phrase is important, for its use casts a stigma upon all other currency systems by clearly implying that they are unsound.

Not Sound Money Advocates of the "commodity dollar" contend, however, that a monetary standard which has resulted in the unjust transfer of scores of billions of wealth, and which has been largely responsible for wrecking business, closing the banks of the nation, and turning millions of men out of their jobs has no legitimate claim to the phrase "sound money."

They assert that the only type of currency which can legitimately be referred to as "sound" is that which President Roosevelt proposes to establish—namely, one which, year after year, will retain approximately the same purchasing power in terms of commodities in general.