

**The Weather**  
Forecast: Unsettled with occasional showers tonight and Thursday. Little change in temperature.  
Highest yesterday 70  
Lowest this morning 51

# MEDFORD MAIL TRIBUNE

WINNER  
**Pulitzer Award**  
FOR 1934

Twenty-ninth Year MEDFORD, OREGON, WEDNESDAY, JUNE 27, 1934. No. 83.

## BEAT UP GANGS ROAM PORTLAND



By PAUL MALLON

WASHINGTON, D. C., June 27.—Government hand-outs on the business outlook are often mimeographed on perforated paper. They exude an optimistic fragrance. The ones now being issued are no exceptions.

If you look behind them into the figures you will find actual conditions hardly justify the strong accent.

What has happened is this: For the past four months (March, April, May and June) business has been following the usual seasonal trend rather closely on a plane about 75 per cent normal (1923-25).

Prospects strongly point to a little more than a seasonal decline in July and August, to be followed by a stronger-than-seasonal improvement in September and October.

One reason that official government prognosticators are waxing lyrical in their official statements now is that the May and June shrinkage in business was no worse than it was. They had expected a stronger decline.

The secret of the strength in industrial production is steel. A price increase goes into effect in July, so the mills have been humming to fill orders before the increased price is effective. That means a sharp curtailment of steel production when the increased prices come along.

Automobile production is going fairly well. Figures for June will be down about 10 per cent from May. The output in April was 356,000 cars, May 352,000 and in June around 300,000.

That is because the manufacturers reduced their prices. They ran up against trouble when they tried to put an increase into effect some weeks ago. The trouble was caused mainly by a large manufacturer who refused to go along with the price increase.

The other big industry, textiles, is in a fixed decline. A 12-week curtailment of cotton textile production (30 per cent) went into effect June 4. Silk weaving shut down for one week in May.

The general level of prices has not and will not change much. The price of manufactured goods will be off because of increased competition since the Blue Eagle dulled its talons. Commodity prices should reach moderately upward.

There will be no governmental action to influence prices materially. No kind of money tampering is seriously contemplated, either by silver buying, devaluation or inflation.

The bad note in the picture is housing. No one will believe that, after all the pumping and puffing through the PWA and otherwise, the construction industry now is operating at 25 per cent of normal. Yet that is the figure.

The main reason for that is increased prices and increased labor costs. These costs are already under the code. These costs are already working themselves down to a more reasonable level.

The administration is trying to build up the housing program to meet the situation, but on the inside everyone realizes that the housing program cannot stimulate the building industry very much this year. It will take months to get the organization set up and working.

The June tabulation on building will be out in a few days. It will show a slight decrease from May in the value of contracts awarded.

The May value was \$14,000,000, an increase of 2 per cent over April. This might be considered highly encouraging were it not for the fact that the increase is due to one big contract privately awarded for Radio City in New York. Generally, construction was off in May.

The amount of direct public works and public utilities contracts awarded actually declined 19 per cent in May. That hardly fits in with the speech PWA Director Ickes made a few weeks ago, claiming increasingly magnificent success for his program.

Of course, Mr. Ickes gets his optimistic figures by counting the amount of money he has advanced to states, municipalities and others for construction. Much of that money has not been spent and cannot be spent for months.

That is the whole secret of the delay in getting the big \$3,000,000,000 PWA fund working. Most of the money was loaned out and is now lying idle. Those who got it are unable to start work because they are unable to raise their share of the cost or because their plans were in an embryo state when they got the money, or for various other reasons their work has been delayed.

The proof of that deduction is that the amount of public works contracts let in May was \$71,600,000, a decline of 3 per cent from April.

The value of privately financed contracts was \$1,000,000,000, a decline of 10 per cent from April.

### NON-UNION MEN KIDNAPED, BEATEN IN WHARF STRIKE

Plans to Start Moving Cargo Miss-Fire — Police On Hand, But No Effort Is Made to Open Operations

SAN FRANCISCO, June 27.—(AP)—Archbishop Edward J. Hanna today accepted the chairmanship of President Roosevelt's newly appointed labor board to carry forward negotiations for settling the strike of Pacific longshoremen.

Numerous instances of violence were reported in various ports as Edward F. McGrady, assistant secretary of labor and member of the labor board, and C. A. Reynolds of Seattle, regional representative of the government, conferred with a committee of 50, representing the various maritime unions on waterfront. O. K. Cushing, San Francisco attorney, is the third member of the new board.

Portland, Ore., June 27.—(AP)—Employers' plans for working cargo on the strike-bound Portland waterfront miss-fired during the morning hours today, and large groups of heavily-armed regular and special police stood idly as an expected emergency failed to materialize. Crowds of pickets representing longshoremen and allied workers watched closely from within their own lines.

Ship operators and waterfront employers had indicated the "big push" to break the strike would move this morning. Squads of police were hurried to the terminal No. 4 concentration point to provide protection. But several hours later Chief of Police B. K. Lawson returned to downtown headquarters with word there were no men at the terminal to work cargo.

Beat-Up Gangs Active

Meanwhile, other police were attempting to cope with a mild reign of terror within the city as one man was kidnaped and a half dozen more others were slugged and badly beaten by reputed "beat-up gangs."

The kidnap victim, H. Petro, 58, a longshoreman for 33 years, was attacked and abducted by a group of men as he was buying a bus ticket preparatory to going to a meeting place of non-union workers. Several hours after he was kidnaped, a deputy sheriff found him on a street just as two other men who again had beaten and kicked him were fleeing from the scene.

(Continued on Page Five.)

### BASEBALL

| American | R | H  | E |
|----------|---|----|---|
| Chicago  | 7 | 12 | 1 |
| New York | 8 | 15 | 0 |

| National     | R | H | E |
|--------------|---|---|---|
| Philadelphia | 1 | 7 | 0 |
| Pittsburgh   | 4 | 9 | 0 |

### ROTARIANS NAME MISSOURIAN HEAD

DETROIT, Mich., June 27.—(AP)—Robert L. Hill of Columbia, Mo., was elected president of Rotary International today by a unanimous vote.

Postmaster General James A. Farley assured delegates today that there is no danger of any college professor leading President Roosevelt off on a haphazard adventure.

### Banker Harriman Given Four Year Prison Term

NEW YORK, June 27.—(AP)—Joseph W. Harriman, former president of the Harriman National Bank & Trust company was sentenced today to four and one half years in prison on a conviction of causing false entries in the books of the bank.

Federal Judge John C. Knox directed that Harriman be turned over to the custody of the attorney general of the United States for confinement in the penitentiary for a period of four and one half years on each count on which he stands convicted.

### Nice Looking \$20 Bills Circulating, Warning Is Issued

PORTLAND, Ore., June 27.—(AP)—A warning that some remarkably well executed counterfeit \$20 bills are being circulated in this area was issued Tuesday by federal authorities here.

The counterfeiters so far discovered by Portland banks were drawn on the 11th federal reserve district, and in the left front center will be found the federal reserve bank designation with Dallas, Tex., in the lower part of the circle. All bear the serial "G" and "A." Experts detected the manufacture of the counterfeiters, federal investigators said.

### NEW DEAL RUIN IS BIG BUSINESS AIM ASSERTS TUGWELL

DES MOINES, Iowa, June 27.—(AP)—Rezford G. Tugwell accused certain big businesses today of trying to wreck the new deal program for "social management" of agriculture.

Some firms dealing in farm products he hit as inimical to the AAA. He arraigned big canners, packers, millers and milk distributors for their opposition to the now famous "loaf amendment" to the AAA.

The agriculture administration asked the last congress to pass

### LION CLUB NAMES CAROL HAYS HEAD FOR COMING YEAR

At the annual luncheon of the Lion's club additional nominations and the election of officers were held today at the Colonial club.

Lion are Hays, who has been serving as "tail twister" for the past year, was elected president to succeed H. W. Conger. C. S. Stuart, who had been in the running, resigned in favor of Hays.

Justice of the Peace W. R. Coleman, the only candidate for first vice-president, was unanimously voted to that office. Incidentally he was the only member of the club to receive all the votes at the election.

F. H. Grey, "lion tamer" for the past year, was elected second vice-president. Lyle Thurman was elected secretary-treasurer for the coming year. "Lion tamer" for the next fiscal year for the club will be Victor Tengwald. Tengwald succeeds F. H. Grey, who was also nominated for that office. "Tail twister" for the club was voted to L. R. Terkelson, in other words, fee collector of "fines." E. H. Mann and L. Pennington were elected trustees.

A committee chosen for the installation of officers for the near future includes H. W. Conger, chairman; E. H. Mann and L. Pennington.

W. R. Coleman was selected as a committee of one to furnish the entertainment for the next meeting, which will be one week after July 4.

### WARTBURG, Tenn., June 27.—(AP)—Sheriff H. E. Byrge said today that Fred Heid, vice-president of the American federation of hooley makers, reported to him that a crowd of men who kidnaped him in Harrison had threatened to "lynch" him.

### FORTY NEW CASES INFANT PARALYSIS IN LOS A. REGION

California Emergency Relief Funds Granted to Help Battle Dread Disease — Border States Alarmed

SAN FRANCISCO, June 27.—(AP)—With 40 new cases of infantile paralysis reported within the last 24 hours in the Los Angeles area and four in the San Francisco Bay region, the state emergency relief administration here today authorized a grant of \$13,750 to combat the spread of the dread disease.

The number of cases in the state since May 1 was well over 1300 today. In Los Angeles county alone, center of the epidemic, 1067 cases have been reported.

In Alameda county, east of San Francisco, 40 cases were reported today. At present there are but five cases in Arizona, he said.

### MORE SUITS LOOM IN CRESCENT CITY INVESTMENT CASE

Civil suits against the Crescent City Investment company of Crescent City, Calif., of which Frank F. Merriam, now acting governor of California was president, are pending and more are contemplated, Deputy District Attorney George W. Neilson said this afternoon.

Merriam is a candidate for governor and his connection looms as a campaign issue.

The civil suit of Bert Lowry, and six other investors of this city is now approaching trial, Neilson said. The case has been delayed since 1932 by demurrers, and other legal skirmishing, he declared.

Deputy Neilson said 30 or 40 residents of Klamath Falls and Klamath county were now considering suit, and that many Siskiyou county, Calif., investors had intimated to him they would take the same course.

1931 Alvin Hughes and 26 others sued the investment company for a sum approximating \$4000 and judgment was obtained in that amount by a jury verdict. Neilson said a settlement had been made in this case and others.

Neilson estimated that close to 200 residents of southern Oregon and northern California had purchased lots in the Crescent City Investment company, ranging from \$50 to \$8300. He said the average was about \$250.

Gov. Merriam resigned as president of the investment company, several years ago and C. B. Day was named head.

The district attorney's aide said no criminal charges were contemplated against Merriam. He said that Merriam had requested him to send affidavits, "if there had been misrepresentations," and he would reimburse him. Merriam was a resident of Long Beach, Calif., at the time.

The Crescent City Investment company, the records in the Hughes civil suit show, owned a parcel of land at Crescent City, Calif. It was alleged in the trial that the land was sold upon "representation" that a resort hotel, and railroad would be built, and a national advertising campaign conducted, by radio and press.

In many instances the officials of the investment company were bonded by surety companies, some of whom were named defendants in the action.

### CCC TENNIS TOURNEY PAIRINGS ARE LISTED

Pairings in the Civilian Conservation Corps tennis tournament were announced today, and play will start immediately on the ladder arrangement.

### Indict CWA Head



R. C. Branlon (above), California emergency relief director and former state head of the CWA, and eight other former officials of the CWA were indicted by the federal grand jury in Los Angeles on charges of conspiracy to defraud the government. The general charge was that they improperly carried out CWA provisions. (Associated Press Photo)

### CHIEF OF CRATER CONSTRUCTION IS OUSTED BY ICKES

WASHINGTON, June 27.—(AP)—Secretary Ickes told reporters today an investigation has been started in connection with charges and countercharges revolving around low bidder for preliminary construction on the Grand Coulee power dam on the Columbia river, Washington.

The low offer was approximately \$20,000,000 from Silas H. Mason, Inc., of New York. Public works officials said the firm had been accused by other contractors of paying unduly low wages.

A man, whose name was not disclosed, was sent yesterday to the project by airplane. Ickes said he arrived today.

Ickes also said that I. F. Davidson, superintendent of construction on public works projects for Crater Lake National park in Oregon, had been suspended recently. E. C. Solinsky, superintendent, and E. R. Edwin, chief clerk at the park, were suspended May 15 under what Ickes said today were "very serious charges."

### INSURANCE REPORT SHOWS INROADS OF DEPRESSION YEARS

SALEM, Ore., June 27.—(AP)—The annual report, completed by A. H. Averill, state insurance commissioner, shows that the total insurance in force in Oregon for the year 1933 amounted to \$1,417,951,720. Life insurance approximated \$608,467,770 of the total.

The report showed that \$598,295,780 of the total was carried in stock company fire insurance, \$123,245,932 in domestic mutual fire insurance, \$46,447,295 on automobiles and \$60,400,943 in fraternal benefit societies. Premiums paid totaled \$32,688,977 for the year compared to \$40,831,772 in 1929. Losses paid last year amounted to \$24,805,427 against \$21,201,471 in 1929.

In a written statement accompanying the report, Averill said: "The years 1932 and 1933 have been a severe test of insurance as an institution and as such has, notwithstanding individual failures, maintained its status as the foundation stone of the state's financial stability and development."

"While the trend of insurance in the state for 1933 shows a further decrease, there is evidence that the marked decline reflected in the report of 1932 has been definitely arrested. The premium income of certain classes of insurance for 1933 shows an increase over 1932, with corresponding decreases in losses paid."

Insurance Case Set

SALEM, June 27.—(AP)—The case of the General Insurance company of Seattle against A. H. Averill, state insurance commissioner, will be heard before three federal judges in Portland tomorrow. It was announced here. Attorney General I. H. Van Winkle will represent the Oregon official.

### BATTLE ON CAFE CODE IS OPENED IN SALEM COURT

Restaurant Owner Asks Injunction Against Enforcement of Recently Approved Rules for Industry

SALEM, June 27.—(AP)—I. N. Sturtevant, local restaurant owner, yesterday filed a complaint in circuit court asking an injunction forbidding Max Gehlar, state director of agriculture, to enforce the recently approved code for the Oregon restaurant industry.

Sturtevant filed as an individual but was understood to be backed by a large group of restaurant operators who have refused to pay the license fee and other charges demanded under the code. Gehlar, Governor Julius L. Meier and Attorney General I. H. Van Winkle were named as defendants.

Names Nine Faults

In his complaint the plaintiff named nine reasons why the code should be declared inoperative, as follows:

That the code violates the due process clause of the federal constitution by imposing a license fee, and an unknown amount of costs to be incurred by the state restaurant board.

That the code violates the state constitution by asking private property for public use without just compensation.

That the state constitution is violated by prescribing different terms for licensing restaurants now in operation from the rules set down for licensing newcomers in the business.

That the act imposes a tax without legislative assembly action.

That money is withdrawn from the state treasury without legal procedure.

That the code illegally delegates the law-making function of the legislature to the director of agriculture.

That the title is incomplete.

That the tax imposed in the code is levied without consent of the parties upon which it is levied.

That the act is vague in not specifying the plan for determining whether or not a majority of members of the industry favor it.

Restaurant operators said that an effort was being made to show that 75 per cent of the owners are opposed to the code. This percentage would be sufficient to have the code declared inoperative.

### Pendleton Grimed By Severe Gales Stirring Up Dust

PENDELTON, June 27.—(AP)—Pendleton scraped off a coating of grime from Tuesday's severe wind and dust storm, and settled back to normal routine today.

Air traffic east and west was resumed late yesterday after having been halted during the day by lack of visibility. Harvesting operations continued today after a day's lay-off. Temperatures were lower last night, and today was sunny but cool.

### CORONER'S JURY CONTINUES QUIZ YOUTH'S SUICIDE

Inquest into the death of Wm. A. Marshall, 15, also known as Billy Jolly, who shot and killed himself at 12:30 Tuesday morning, was postponed until 3:30 o'clock this afternoon, after the jury requested more witnesses be called, according to Coroner Frank Per. The inquest opened last evening.

Among the witnesses called last evening were Harry Gill, who found the boy's body; State Police Officers Joseph Folsom and O. A. McKinnon, City Physician C. L. Drummond, City Police Officer Ray Slosser, Moore Barkdull, George Kuzman, who brought the boy into Medford by auto Sunday evening; and Arthur Powell, Billy's grandfather.

Called for this afternoon's session, as witnesses, are L. C. Thompson, I. C. Poole, Jack Plymale and Jack Hiltzer, who were at Plymale's apartment in the building at 208 East Main street, where young Marshall was standing in the hallway at the time he shot himself.

Jury members were dissatisfied with testimony, which failed to reveal the whereabouts of the boy from 6:30 to 12:30 o'clock on Sunday evening.

Members of the coroner's jury, are William Vaughn, Bruce Brier, Dave Wilcox, Gordon Green, William McAllister and Kenneth Anthony.

### DILLINGER HOST TAKEN BY POLICE

MINNEAPOLIS, Minn., June 27.—(AP)—Pat Reilly, former St. Paul baseball club mascot, sought for weeks on charges of harboring John Dillinger and a fugitive, was arrested by police today and arrested by department of justice agents.

It was Reilly, the government claims, who led Dillinger and John Hamilton, chief lieutenant of the fugitive, to the home of Dr. N. D. Mortenson, then St. Paul city health officer, last spring for treatment of a gunshot wound.

Capture of Reilly leaves only Dillinger and three of his gang still at large. They are John Hamilton, Homer Van Meter and Lester M. Gillis, alias "Baby Face" Nelson.

### BAKERS OF OREGON TALK CODE ADOPTION

SALEM, June 27.—(AP)—About 300 leaders in the baking industry met here today to consider enactment of a proposed marketing agreement and code for the Oregon baking industry.

The proposed code was similar to those drawn up for other industries and will be submitted to Max Gehlar, state director of agriculture, when completed.

### DAM FISH LADDERS FIGURES TOO SMALL

PORTLAND, Ore., June 27.—(AP)—Original estimates of the cost of adequate fishways for the Bonneville dam were far short of what the Bonneville fishways committee now finds to be necessary.

### NEW BRITISH NOTE EMPHASIZES WISH SETTLE WAR DEBT

Short Communication Sent to Washington in Reply to Secretary Hull's Suggestion for 'Payment in Kind'

LONDON, Eng., June 27.—(AP)—A new British note was cabled to the British embassy in Washington today in which the British government emphasized its desire to negotiate a permanent war debt settlement with the United States.

Foreign office officials declined to reveal the exact nature of the note except to say "It is quite short."

The British policy of the past in reference to the desire for a discussion of a full settlement of the debt question was understood to have been restated as part of the communication.

Reply to Hull

The note is in reply to one by Secretary of State Cordell Hull suggesting payment "in kind," but it comes with Great Britain already in the defaulter class. She entered that status June 15 when she refused to pay an installment.

British circles pointed out that the day following the Hull note President Roosevelt took the position that payments in kind could be only "very partial" ones.

Suggestions at home that England give Bermuda or some other possession to the United States.

### EAGLES WILL PARADE WITH DRUM CORPS ON MAIN STREET FRIDAY

Commencing at 7:30 p. m. from the Hotel Medford a parade will be held next Friday evening, under the auspices of the local series of the Fraternal Order of Eagles, it was announced this morning by officials of the fraternity.

Headed by the Grants Pass Eagles' drum corps, the local mixed drill team will parade, followed by members of the organization and the auxiliary. The local mixed drill team, comprised of members of the Eagles and the auxiliary last week won a prize at the state convention at Marshfield which only one month's preparatory drill.

All members of the Eagles and the auxiliary are asked to appear at the hotel at 7:30, as the parade will start promptly at that time, and in view of the fact that the Grants Pass drum corps will be present, it is hoped that a large turnout of Medford Eagles will be on hand.

Immediately following the parade the regular Eagles and auxiliary meetings will be held at the Eagles' hall at 8:00.

### TRAMMELL RECEIVES FLORIDA NOMINATION

JACKSONVILLE, Fla., June 27.—(AP)—Senator Park Trammell apparently has won the democratic nomination for his fourth term in the United States senate over his youthful opponent, Claude Epper. Trammell is chairman of the important senate affairs committee.

Elimination of water-filled buckets, cans and other stagnant water from the yard will help keep mosquitoes from a house.

**WILL ROGERS says:**

BEVERLY HILLS, Cal., June 26.—The pictures of Hitler and Mussolini are pouring in on us from the press now and every one of 'em keep looking more like they are going to bite each other.

Sure glad to see where William Allen White had received the high award for Americanism. He is a mighty clear-thinking man. That Kansas has more real newspaper men than all the rest of the states combined.

Mr. Roosevelt attended a meeting of Tammany Hall leaders. First time Tammany Hall's name has come up in months. I kinder thought they had given up their franchise.

*Will Rogers*