

The Weather
Forecast: Fair tonight and Thursday,
with fog. Frost tonight.
Temperature
Highest yesterday 48
Lowest this morning 25

MEDFORD MAIL TRIBUNE

WINNER
Pulitzer Award
FOR 1934

Twenty-ninth Year MEDFORD, OREGON, WEDNESDAY, DECEMBER 5, 1934. No. 219.

CITY VOTES SEWAGE BOND ISSUE



News Behind The News
By PAUL MALLON
(Copyright, 1934, by Paul Mallon)
WASHINGTON, Dec. 5.—The word has gone out from the main news deal transmitter to lay off economy predictions.
The great hopes which Mr. Roosevelt held out for a thrifty budget apparently have not worked very well. The outgoing just cannot be compared sufficiently without disturbing the fundamental relief obligations of the new deal.
The most that can be done is to plug up leaks and divert government expenditures into relief and business channels which will eventually bring some return. These work relief liquidating projects, loans for homesteading and such things are likely to be most prominent in the budget when it comes out in a few weeks.
These things cost more than the backdoor handout system instituted under the FERA, but they are more economical in the long run.
The sub-rosa budgetary situation may be the reason for the surprise in the recently announced treasury financing.
The best informed bankers were expecting that the government would ask for \$500,000,000. Instead Mr. Morgenthau asked for \$900,000,000, and you may have noticed that he was in Warm Springs when the treasury department made its announcement. The money will operate between here and Warm Springs.
The private official explanation for the size of the sum was this: The treasury has been running quite a heavy monthly deficit. There are certain large interest payments to be made shortly.
The unannounced policy of Mr. Morgenthau has been to keep a cash balance of a billion dollars on hand at all times. At the time of the financing announcement his working balance was down to \$740,000,000.
So Mr. Morgenthau figured he might as well seek \$900,000,000 while money market conditions were good.
That is all true, but there was more in it than that. Obviously Mr. Morgenthau was anticipating winter relief demands. There are good reasons for believing that he expects the present finance to pull him through until April. No public promise can be made of that, but the expectation is reasonable in the light of existing facts.
The clever part of it was the astute selection of time which Mr. Morgenthau selected. It was just three weeks before the budget will come out.
The results may be announced before you read this, or shortly thereafter. Advance indications were that they will be favorable. Word from inside the treasury is to the effect that the issue is going very well.
The money market was in a much more receptive condition this time than last September. Uncertainty filled the air then. Certain bankers were more jittery than the country knew. Now the financing is being done in an atmosphere similar to that of the June financing. For that reason Mr. Morgenthau did not offer as high an interest rate.
The result will be a significant test of the long-term bond market, which was not so good last September.
The public generally may not understand government financing moves, but every banker knows they are the only sincere hint as to how things are going. They always tell the truth, which can be safely hidden between moves.

WORK TO START DURING JANUARY ON IMPROVEMENT

797 Vote Yes, 219 Against
—Government Gift Will Go Far in Meeting Expense of Disposal Plant

Vote By Wards

Ward	Yes	No	Cast
First	166	32	198
Second	251	101	352
Third	220	43	263
Fourth	170	43	213
Totals	797	219	1016

By an overwhelming majority, 797 voting yes, and 219 voting no, Medford yesterday afternoon passed the \$100,000 bond issue for the construction of a new sewage disposal system in this city.
A larger vote than is ordinarily cast in city elections was shown yesterday in the results, there being 1016 ballots marked, the tabulations show.
On July 26, 1933, when a similar vote was held on the bond issue, there were only 783 ballots cast, 470 for, and 213 against. Due to technical changes, and an opportunity to receive between \$22,000 and \$24,000 from the federal government, should the bond be voted, a new election was necessary this year.
Second Ward Tops Vote
Voting, between 1 p. m. and 8 p. m., Tuesday, was conducted in four wards.
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GRAIN RATE CUT ORDERED BY ICC

WASHINGTON, Dec. 4.—(AP)—The interstate commerce commission today issued a ruling affecting the trans-Mississippi grain rate structure which it is estimated unofficially will reduce the present cost to grain shippers by \$6,000,000 annually.
The ruling was a result of the reopening of the grain rate case originally decided August 1, 1931, and effective for several months in 1932 when virtually cancelled by a supreme court order.
In its finding announced today, the commission in general reestablishes the structure set-up in its previous order.
The rates in the Mountain Pacific and Pacific Coast generally are higher in this than in the first report because present rates are undisturbed where they do not exceed the general level prescribed for the southwest.
DIAMOND STARS PLAY COLD GAME IN CHINA

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SHANGHAI, Dec. 5.—(AP)—Wrapped up like Eskimos, America's barnstorming baseball team carried their victorious Far Eastern march into China this afternoon with a 22 to 1 defeat of the Shanghai All-Stars.
The players labored under the heavy handicap of a freezing wind, but the big leaguers, swathed in woolen shirts, leather jackets and gloves, gave the cosmopolitan crowd a good exhibition.
ASTORIA CUTS TAXES 23 MILLS FOR 1935

ASTORIA, Ore., Dec. 5.—(AP)—By slashing the city government tax more than 80 per cent, a reduction of about 23 mills has been made on Astoria property taxes payable next year.
This year property was taxed 102.9 mills. Next year citizens will pay 79.2 mills.

BARTENDER SLAYS THREE AND SUICIDES IN FRENZY

STOCKTON, Calif., Dec. 5.—(AP)—"Black" Joe Spinetti, a bartender, shot and killed three men and then committed suicide at the end of his reign of terror in two bars here early this morning.
Police said Spinetti had been drinking heavily. They believed he was aroused to a frenzy by imagined insults, although they said they were also investigating the possibility of some underworld or mafia connection behind the slayings.
Spinetti's victims were Louis Pagano and Louis Dalbuchi, both bartenders, and an unidentified man.
Mystery was added to the tragic affair by the fact that Spinetti had blacked his face with grease paint before starting out on his deadly spree, the police reported.

Fate of Airmen Unknown—Search Goes On

ROOSEVELT FIRM FOR CONTINUANCE OF ACREAGE CONTROL

President Convinced Best Way Out for American Farmers Is Adjustment of Production to Demand

By FRANCIS M. STEPHENSON
WARM SPRINGS, Ga., Dec. 5.—(AP)—President Roosevelt leaves his southern study home today firmly committed to the new deal experiment to bring parity for farmers through acreage control.
Mr. Roosevelt is convinced there is little opportunity for measurable outlets of American agriculture surplus abroad because of increased synthetic processes there, and that the way out for American farmers is to adjust production to demand, thereby bringing about fair economic prices and through this means raising the standard of living and, consequently, increasing the buying power at home.
Result of Long Study
This fundamental policy, undoubtedly to be pursued with vigor in the future effort to help farmers, is the result of months of study by the president and intensive surveys during his stay here.
So far as his future new deal legislative policies are concerned there will be unfolded entirely to congress alone. Secretaries Morgenthau and Ickes, Harry L. Hopkins, relief administrator, and Rexford G. Tugwell, undersecretary of agriculture, who have been working on these issues here, board the train for Washington with Mr. Roosevelt. Postmaster General Farley will also travel with him.
Back Home Today
The president takes his special train for a leisurely journey back to the capital in the middle of the afternoon.
With an eye to the "little fellow," the president last night announced favor for an amendment to the Bankhead act exempting from the acreage restriction farmers who produce two bales or less.
Asked about his important studies here with principal aides on the vital relief and budget problems to be put before congress, the president smiled and replied: "January 3." This is the day when congress convenes.

MUNITIONS MAKER WINKED AT TREATY VIOLATION, CLAIM

Nobel, Ltd., of Britain Knew Germany Rearming, Senate Committee Informed—Allies Also Accused

By NATHAN ROBERTSON.
WASHINGTON, Dec. 5.—(AP)—A statement that Nobel, Ltd., British munitions firm founded by the donor of the international peace prize, was guilty of "winking" at the rearming of Germany in violation of the Versailles treaty was presented today to the senate committee.
The committee also received evidence that the state department, in 1925, recognized the allies were conspiring with Germany in violating the Versailles treaty because permitting the illegal manufacture of explosives in Germany "swelled the reparations fund."
Letters Draw Charge
Correspondence between the Du Pont company and its foreign department drew the charge of "winking" from Senator Vandenberg (R-Mich.) who was conducting the inquiry.
One of the letters plainly said Nobel could have brought pressure on the British government to stop violation of the peace pact but German manufacturers in 1926, by did not do so because of its German connection.
Evidence Cited
The evidence about the state department was in a letter from Aiken Simons, Dupont Washington representative, to his company, reporting on a conversation he had with Allen W. Dulles, chief of the department's near eastern division.
The letter said in reference to manufacture and export of explosives from Germany in violation of the treaty:
"Mr. Dulles said he was well aware of this and that he was also aware that powder and other munitions were continually shipped out of Germany with the connivance of the allies since the resulting sales of munitions swelled the reparations fund."

Widow Nabbed



MRS. "BABY FACE" NELSON
Helen Gills, widow of "Baby Face" Nelson, slain handi, whom department of justice agents have revealed as being in custody since Thanksgiving day.—(Associated Press Photo.)

ROADSIDE COUNCIL IN EFFORT TO SAVE PROSPECT TIMBER

PORTLAND, Dec. 5.—(AP)—Determined to preserve the 5,000-acre Prospect tract at the west entrance to Crater Lake national park, directors of the Oregon Roadside Council here today ordered a committee of its members to exert effort, through federal, state and local agencies, to control timber cutting in the area.
At the northwest regional planning conference to be held next week in Seattle, a delegate of the council will urge that the government purchase the tract for recreational purposes.
It was said that efforts of the Jackson County Chamber of Commerce to have the tract purchased by the state highway department has been unavailing.
Timber cutting on the tract is scheduled to start soon, it was said, with the Rogue River Lumber company operating five sawmills in the region.

HINT STARTLING DEVELOPMENT IN KIDNAP HEARING

New Angle On Distribution of Urschel Ransom May Be Outgrowth of Portland Extradition Action, Rumor

PORTLAND, Ore., Dec. 5.—(AP)—Federal agents intimated today that new, important and perhaps startling information on the distribution of the \$200,000 ransom paid kidnapers of Charles F. Urschel, Oklahoma millionaire, may develop from the hearing before the United States commissioner here, of two men and two women held on conspiracy charges in connection with the case.
Urschel, who flew from Oklahoma city to appear as a witness in the hearings, was not permitted to testify. "It is impossible," said United States Attorney Carl Donagh, "to permit Mr. Urschel to testify this morning. His presence elsewhere in connection with further developments in this case is imperative."
The government asked for, and was granted, a postponement of the hearing until late in the afternoon.
Extradition sought
Today's session was on the government's petition to remove to Oklahoma for trial, Alvin H. Scott and Margaret Hurlienne, his housekeeper. They have been charged with possession of part of the ransom.
Others to be given a hearing later are Clara Feldman, reputed wife of Albert Bates, convicted kidnaper, and her son, Edward Feldman.
Court attaches said they believed Urschel's appearance against Scott and Mrs. Hurlienne had been postponed because special agents in the department of justice wanted to question him further about the kidnaping.
Scott and Mrs. Hurlienne were arrested early last month after Scott had been taken to a hospital for treatment of injuries suffered in an automobile accident. Federal agents said \$1360 in ransom notes was in his possession, and that \$4,680 more was found at his home at which Mrs. Hurlienne lived.
Banker Testifies
Loyal Barnhart, controller of the First National bank of Oklahoma City, testified before the United States commissioner today he had prepared the \$200,000 ransom payment turned over to kidnapers of Urschel. He identified bank notes the federal agents said they found on Scott and at his home as part of the ransom.
Barnhart said the ransom was entirely in \$20 bills of the J-10 series. He said he, personally, made a note of the serial number of each of the 10,000 bills. The money was turned over to E. K. Kirkpatrick, associate of Urschel. Kirkpatrick is supposed to have made the actual contact with the kidnapers.
Money Identified
More than \$7000 in \$20 federal reserve notes, allegedly a part of the \$200,000 ransom money paid in the Charles F. Urschel kidnaping case, were identified today.
(Continued on Page Seven)

Silent Drinking Will Be Aim of Liquor Control

PORTLAND, Dec. 5.—(AP)—The Oregon liquor commission is going to do what it can to promote "silent drinking."
No longer will whisky tenors and tin pianos disturb slumbers around 1 a. m., when the beer slopes close. Or, if these conditions do continue, many dispensers will find themselves without licenses.
This was the word passed along today by George Sammis, liquor commission administrator.
"Silent drinkers are what we want," Sammis declared, "and we desire no more noisy beer parlors near where people are sleeping."

\$300,000 BLAZE SWEEPS WARNER CINEMA STUDIOS

BURBANK, Calif., Dec. 5.—(AP)—Fire swept Warner Brothers-First National Studios here, causing one death, injuring 15 persons and doing damage estimated at \$300,000 before it was extinguished early today.
Albert Runder, 68-year-old fire chief of the motion picture studio, died at a first aid station, of heart failure which doctors said was induced by the excitement of the conflagration.
Rudolph Hoop, an actor, and Nick Potokoff, studio workman, were the most seriously injured. Hoop suffered a broken leg, minor burns, lacerations and bruises when the "false front" of a set collapsed on him.
Potokoff received a broken right leg, burns and bruises.
Others injured—firemen, studio employes, and film extras—all were treated at the studio hospital for burns, bruises and lacerations.
Officials of the film plant said the fire swept over about half the 80 acres occupied by the studio, but that the area ravaged by flames was the least important of the production of pictures.
Big Loss Threatened
Had the fire spread to the front of the lot, occupied by sound stages, administration buildings, cutting rooms, developing rooms, laboratories and other departments, as for a time it threatened to do, the damage might well have run into millions.
The flames destroyed many outdoor sets, damaged the transportation building and threatened for a time to spread to two sound stages.
Fire apparatus from Burbank, Hollywood and Los Angeles sided studio equipment in bringing the flames under control.

FEAR HELD THAT AIRMEN DROWNED IN SEA LANDING

Army, Naval and Private Air and Water Craft Engaged in Wide Search of Waters in Isolated Vicinity

HONOLULU, Dec. 5.—(AP)—Lieutenant Paul Foley, one of the navy fliers searching for Lieutenant C. T. P. Um and his two companions, radioed Pearl Harbor naval base at 10:30 a. m. (3:30 p. m. P. S. T.) he had "sighted a drifting object" 300 miles southwest of Honolulu and "was going to investigate it."
By WILLIAM H. EWING
HONOLULU, Dec. 5.—(AP) Through the air and over the water, army, navy and private searchers widened the hunt today for Flight Lieut. Charles T. P. Um and two companions, whose trans-Pacific land plane was forced yesterday to an ocean landing.
Every hour brought new fear that the trim "Star of Australia" had sunk beneath the surging Pacific and that its three passengers, who planned to continue on to Australia, had disappeared with it when gasoline gave out.
Find No Trace
An all night cruise by 23 naval craft failed to locate a trace of the plane, which contained Um, the pilot, co-pilot George Littlejohn, and Navigator-Radio Operator J. L. Skilling. The trio was attempting to chart a commercial trans-Pacific flying venture.
Twenty-four naval seaplanes were serviced during the night and made ready for a dawn takeoff to search an area within 300 miles of the archipelago. The exact location of the luckless adventurers was not known.
They were aided by three army amphibian planes which were ordered to base, one at Kauai, the northernmost Hawaiian island; another at Hawaii, the southernmost island and the third on Oahu in the center of the area being covered.
A possibility the ill-fated plane or its passengers had been found during the night by one of the fishing boats was mentioned by officials here. In such a case there was little chance of its being known until the fishing fleet returned, as few of the boats have wireless equipment.

BURGLARS BUSY IN LAKE CREEK STORE

State police returned to this city last night after investigating a store robbery at Lake Creek, Ore., in which approximately \$25 worth of tobacco, candy and groceries was stolen. No one was apprehended by state police, but several suspects were investigated for the theft, which occurred in the Lake Creek store and post-office building.
L. H. Wyant, owner, reported the robbery, made after the burglars broke a rear window to enter the building. Nothing in the postoffice department was molested, police said.

WILL ROGERS SAYS:

BEVERLY HILLS, Cal., Dec. 4.—Ireland rioted in the movie theatres when they showed pictures of the wedding of the duke and Marina. When Ireland don't like anything they don't even like the picture of it. Well, they missed seeing a mighty pretty couple.
Our own Wiley Post went up to break the altitude record. He drifted from Bartlesville, Okla., to Muskogee. Went square dab over Claremore. He was up 10 miles, just high enough to clear the buildings.
In case any of you happen to be keeping statistics on it, Japan issued another ultimatum to the world today.

DRUNKS CHAINED TO POLES ON POLICE JUDGE'S ORDER

PAINTSVILLE, Ky., Dec. 5.—(AP)—In a scene reminiscent of Colonial days, three men who refused to work out fines imposed for drunkenness were chained to power line poles on Main street here today.
Crowds gathered to see Town Marshal Jess Allen and the men with log chains and attach two 25-pound iron balls to each man and lock them with padlocks to separate posts on three corners. Allen said he acted on orders of Police Judge R. A. Parry, who said later that the trio would stay there, except at night, until they agreed to work out their fines.
The men chained were James Price, 25, William Dills, 25, and Oscar (Blackie) Peiprey, 22.
A relative of one of the trio said he would ask legal advice in the hope of forcing the officials to unchain the victims and put them back in jail.
Price and Peiprey, without overcoats, shivered in the morning chill, but Dills, better clad, appeared not to be suffering from cold. Bystanders provided Price and Peiprey with chairs and openly expressed indignation at the treatment accorded the men.
The men, talkative at first, settled down finally to take their punishment, asserting they had no intention of backing down on their refusal.

CORBETT DECLARES DETERMINATION TO RULE OVER SENATE

PORTLAND, Ore., Dec. 5.—(AP)—Harry Corbett, Portland state senator and financier, has no intention of releasing from their pledges any of those Oregon senators who had previously assured him of support for the presidency of the senate.
Furthermore, he already is giving thought to organization of senate committees.
Corbett, Republican, just back from a business trip in the eastern states, did not mince words about his plans to take over the duties of the senate presidency, a post he once before held.
The discussion took a new turn last week when Senator W. H. Strayer, Democrat of Baker, approached by several other Democrats, said he would be the Democratic candidate for the speakership if Senator Corbett would release him from an earlier pledge to support the Multnomah Republican.
In announcing he could not release pledges, Corbett declared: "My pledges come from Democrats and Republicans. Some of them had ambitions for the senate presidency themselves, previously. They gave them up to support me. It would be manifestly unfair to me to start releasing one or two or more, and especially unfair to those who might have succeeded in their efforts had they not supported me."

ASHLAND LEGIONNAIRES WILL GIVE PLAY HERE

December 21 is the date announced for the presentation of "Ten Nights in a Barroom," a melodramatic farce which will be given here by the American Legion post of Ashland, it was announced today by I. E. Foy, commander of the Medford post.
Elaborate plans are to be made by Medford Legionnaires for the show here, Mr. Foy said, and further announcement will be made in the near future.

END OF TAX QUARTER HURRYING PAYMENTS

Final quarterly payments of taxes will end December 15, and according to the tax collection department of the sheriff's office, the payments are "fairly brisk." Something of a rush is expected next week. County Tax Deputy Gertrude Martin reports that many who did not make their second quarterly payments are now paying in full.

M'NARY TO CALL PARTY CONCLAVE

WASHINGTON, Dec. 5.—(AP)—Attempts were under way today to restore harmony in a republican party which finds two such old-time friends as Senator Borah and Senator Couzens tossing barbs at each other.
A plea by Theodore Roosevelt, Jr., that republicans unite themselves up as "constructive liberals" was widely regarded as an attempt at peace-making, though it was penned before the Borah-Couzens clash.
Senator McNary of Oregon, the republican floor leader, and a believer in liberalization of the party, plans to invite western independents to conferences on party organization.

NEWSMEN DESERT HEARING OF NRA

WASHINGTON, Dec. 5.—(AP)—Charging that the NRA has been "terrified by the publishers," spokesmen for the American newspaper guild withdrew in a body today from an NRA hearing on proposed editorial wages and hours.
The guild representatives also criticized the national labor relations board for reopening the case of Dean S. Jennings, whom the board previously had ordered reinstated to a job as re-write man on the San Francisco Call-Bulletin. The board explained it had ordered the reopening at the request of Blackwell Smith, acting general counsel for NRA.

\$1,231,960 TAXES LEVIED IN COUNTY

Total amount of taxes to be levied in Jackson county, for state and county purposes in 1935, will be \$1,231,960.48, according to the county assessor's office. This does not include irrigation fees or assessments for herd inspection, fire protection, city taxes, or other special taxes. The total amount is \$23,905.40 less \$1800 for 1934.
Of the total, \$994,389.37 in assessed to the county, and \$237,671.11 to the corporations within the county.

MRS. BARNEBURG DENIED DAMAGES

The circuit court jury in the damage suit of Mrs. Nettie Barneburg against James T. Davis, for \$10,000 alleged damages, as the result of an auto accident at Sixth street and Central avenue, several months ago, returned a verdict in favor of Davis, and awarding no damages to Mrs. Barneburg. The verdict was returned at 2:30 o'clock, after two hours of deliberation.

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