

# NO ACTION NEEDED FOLLOWING RULING ROOSEVELT'S VIEW

(Continued from page one)

Here is the language in which the court denied holders of federal gold bonds to sue for redress in the court of claims:

"In view of the adjustment of the internal economy to the single measure of value as established by the legislation of the congress, and the universal availability and use throughout the country of the legal tender currency in meeting all engagements, the payment of the plaintiff of the amount which he demands would appear to constitute not a recognition of loss in any proper sense but an unjustified enrichment.

**Position Untenable**  
"Plaintiff seems to make his case solely upon the theory that by reason of the change in the weight of the dollar he is entitled to one dollar and sixty-nine cents in the present currency for every dollar promised by the bond, regardless of any actual loss he has suffered with respect to any transaction in which his dollars may be used. We think that position is untenable."

While President Roosevelt withheld comment, elation was evident among his advisors both in congress and downtown.

"We are not concerned with consequences," said the court. "In the sense that consequences, however serious, may excite an invasion of constitutional right.

"We are concerned with the constitutional power of the congress over the monetary system of the country and its attempted frustration.

"Exercising that power, the congress has undertaken to establish a uniform currency, and parity between kinds of currency, and make that currency, dollar for dollar, legal tender for the payment of debts.

"In the light of abundant experience, the congress was entitled to choose such a uniform monetary system, and to reject a dual system, with respect to all obligations within the range of the exercise of its constitutional authority.

"The contention that these gold clauses are valid contracts and can not be struck down proceeds upon the assumption that private parties, and states and municipalities may make and enforce contracts which may limit that authority.

**Must Face Facts**  
"Dismissing that untenable assumption, the facts must be faced. We think that it is clearly shown that these (gold) clauses interfere with the exercise of the power granted to the congress and certainly it is not established that the congress arbitrarily or capriciously decided that such an interference existed."

While there was a little uncertainty at the White House as to the exact ruling on federal bonds, there was no indication that presidential action was imminent.

The court's position on private bonds applied as well to bonds issued by states and municipalities.

Regarding gold certificates, Hughes specified the court of claims had no jurisdiction.

As to whether holders had the right to recover actual damages when gold coin is not paid, the court reminded that the plaintiff admitted congress had power to regulate currency and deliver gold.

**Cannot Repudiate Debts**  
As to federal bonds, Hughes said the law was not a valid act when it applied dollar for dollar in payment of government bonds. The question being whether congress can invalidate the pledge which the government made when it pledged its credit in issuing bonds.

Congress can not ignore the promise which the government had made, he said, and congress can not repudiate the government's obligations.

But, it developed subsequently, those who consider themselves to have suffered wrongfully from the contested law can not sue for the additional money they believe their due.

"The constitution is gone," McReynolds stated in delivering one of the dissents.

His emphatic view was that it could not be disclosed at this time what would be the effect "of what has been done here this day."

He pointed out that solemn promise the government had made in the sale of its bonds that purchasers would receive payment in gold.

His opinion was in reference to the federal bond case. His words were listened to with rapt attention by the crowded courtroom.

Congress, in the view of the dissenters, had enacted the disputed law to raise the price of agricultural commodities. The minority asserted the government was insisting that all creditors must accept 61 cents on the dollar.

"God knows I do not want to talk about such matters but it is my duty," declared McReynolds.

**Criticizes Majority**  
He criticized the majority by saying "In one breath" says congress has no power to repudiate the gold bond obligations, but at the same time reaches the conclusion because the government bond holder can not accept gold, he must accept a 60 per cent legal tender dollar for each gold dollar the government promised to pay.

Congress, he said, without power, according to the decision, to repudiate its gold obligations in the open bonds, he contended, but can not be compelled to pay in devalued dollars the value of the gold called.

This means congress can pay in 60-cent dollars, he continued, adding cryptically:

"This is Nero in his worst form. We are confronted with a dollar which has been reduced to 60 cents which may be 80 cents tomorrow, 10 cents the next day and one cent the day following."

"We have tried to prevent its entrance into our legal system but have tried in vain. We are told the government had made out of its transac-

# BRUNO POSES AFTER CONVICTION



This was one of the first pictures taken of Bruno Richard Hauptmann after he had been convicted of the Lindbergh baby murder in Flemington, N. J. The prisoner is wearing wrinkled and baggy trousers in his cell. (Associated Press Photo)

tion \$2,800,000,000 which is now reposing in the treasury."

Agreeing with the majority on the main issues, Justice Stone nevertheless presented a brief dissent on one point indicating he felt the court had gone too far on the federal bonds case.

By Melbourne Christensen Associated Press Staff Writer. WASHINGTON, Feb. 18.—(AP)—Sixty-nine billion dollars was the ultimate stake in the legal maneuvering that took the celebrated "gold clause" cases into the supreme court.

The immediate stake of those who refused to accept the government's emphatic "no" in answer to their demands for payment in gold, was only \$58,000,000, a small sum compared with the vast total involved in all public and private contracts.

One of the men who through counsel, has told the supreme court that congress had no right to deprive him of his gold or the equivalent in legal currency wanted to gain only \$15,600.

But that man personified thousands of holders of bonds, mortgages and other contracts containing promises to pay an estimated \$100,000,000,000 in gold or its equivalent—\$160,000,000,000—of present devalued currency.

**Story of Cases**  
Here is the story behind these historic cases:

Last February Norman C. Norman of New York presented an interest coupon on a Baltimore and Ohio railroad bond, which had a face value of \$22.50 and demanded payment in gold or its equivalent—\$38.10 in legal tender.

Payment was refused and Norman, permitted to get the additional \$15.60, sued in the supreme court of New York county.

He was among the first to hammer at the constitutionality of "public law resolution number 10" approved June 3, 1933, under which congress declared provisions of contract obligations requiring payment in gold, or "in an amount of money measured thereby" to be against "public policy."

Just as strong an attack on the resolution was made by the Bankers Trust company of New York and William H. Babby, trustee under a mortgage of the Iron Mountain railway, who asked in the United States district court at St. Louis in December, 1933, that the mortgage of \$34,548,000 be made payable in gold coin, the equivalent of which under present lawful currency would be \$58,306,120.

**Would Increase Debt**  
In 1917 the Missouri Pacific Railroad company acquired the mortgage property of the Iron Mountain road. The Missouri Pacific is now in receivership, indebted to the Reconstruction Corporation for \$23,134,800. The Missouri Pacific contended that if it were forced to pay "in gold or its equivalent" its total bonded debt would be increased from \$43,000,000 to \$74,000,000.

In another case F. Eugene Norris, of New York, went to treasury department representatives on Jan. 17, 1934, and demanded that the \$106,300 gold certificates he held be redeemed in gold coin which at that time had a value of \$33.45 an ounce.

Government agents shook their heads and offered Norris \$106,300 in dollar-for-dollar currency. Under protest he accepted but filed a claim in the United States court of claims for \$64,334 damages. That, he said, was the difference between the market value of the gold and the face amount which he received.

**Express Contract Claimed**  
Norris sought to prove that gold certificates constituted an express contract on the part of the United States. An argument disputed by government counsel who asserted that gold certificates were money and nothing more.

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# ACTIVES INSTALL ASHLAND CLUB IN BANQUET MEETING

Members of Medford Active club installed the Active club International of Ashland Saturday evening with an installation banquet at the Lithia hotel. Rolla Reedy acted as toastmaster and Mayor Thornton S. Wiley of Ashland made the address of welcome.

Among the main speakers of the evening was Dr. R. G. Barkwell, president of the Ashland Chamber of Commerce, who welcomed the new organization and its many young members on behalf of the chamber. George M. Simons of Aberdeen, Wash., president of Active club International, presented the charter to the growth and civic prominence of the organization. Speaking for the newly organized club, he pledged the Ashland members to uphold the ideals of the Active International.

William McAllister of Medford, trustee of Active International, presented the following members of the Ashland club with their pins and membership certificates. Frank J. VanDyke, president; Rolla Reedy, vice-president; Willard Eberhard, secretary; Gordon MacCracken, treasurer; Elmer Biegel, sergeant-at-arms; Dr. Wayne Wells, Earl Leever, Donald Faber, Harold Teale, and Robert Dodge trustee; Stanley Arnold, John Billings, Angus Bowmer, Wilbur Bushnell, George Hall, Leonard Hall, Howard Hobson, Bob Ingle, Kenneth Madden and Dr. Harvey Woods, charter members.

Willard Eberhard, secretary of the club, read telegrams from various Active club chapters, congratulating the Ashland organization upon receiving its charter and welcoming the members into the International.

The following members of the Wenatchee, Wash. Active club were introduced: Gordon Pratt, president of the Wenatchee club and former Medford Activist; Virgil McBea, past president of the Wenatchee club, and Ed Douglas, treasurer of Active International. After their introduction, Charles Mann of Tacoma, editor of the "Activist" and historian of Active International, spoke on advancements being made by the organization, stating that it has increased 35 per cent during the last 12 months.

Professor Irving E. Vining gave an address on "Capitalizing on Enthusiasm."

Guests from the Medford Active club were: Dr. L. L. Sanders, Chester Hubbard, Wm. McAllister, Bruce Bauer, Harold Larsen, Glen Fabric, Carl Johnson, Dr. B. C. Wilson, O. Z. Deant, Kenneth O. Denman, Dr. Dwight Findley, J. A. Moore, Jay Geise, Earl Sims, Les Wetsenberger, Jack Butler, Leslie Van Doren, Kenneth Anderson, Dr. Stanley Phillips.

Jack Walker, Wm. Heath, Al Seekatz, John Niedermeyer. After installation a dancing party was held at Lithia hotel ball room, enjoyed by Ashland and Medford Activists and their lady guests.

**Meteorological Report**  
February 18, 1935  
Forecasts  
Medford and vicinity: Unsettled with rain to night and Tuesday. Moderate temperature.

Oregon: Unsettled with rain Tuesday and rain west portion tonight. Snow over mountains. Moderate temperature.

Temperature a year ago today: Highest, 59; lowest, 40.

Total monthly precipitation, 1.31 of an inch; deficiency for month, 0.14 of an inch. Total precipitation since September 1, 1934, 11.84 inches; excess for the season, 0.16 of an inch.

Relative humidity at 5 p. m. yesterday, 24 per cent; 5 a. m. today, 85 per cent.

Sunrise tomorrow, 7:01 a. m. Sunset tomorrow, 5:49 p. m.

Observations Taken at 5 A. M., 120th Meridian Time

City	Temp	Wind	Clouds	Pressure
Boise	35	32	Cloudy	
Boston	30	22	32	Clear
Chicago	30	30	Cloudy	
Denver	60	40	Clear	
Eureka	62	46	Cloudy	
Helena	50	40	T	Cloudy
Los Angeles	78	38	Clear	
MEDFORD	60	37	Cloudy	
New York	40	28	06	Clear
Phoenix	68	44	Clear	
Portland	52	47	Cloudy	
Reno	62	32	Clear	
Roseburg	58	40	T	Cloudy
Salt Lake City	44	28	Clear	
San Francisco	64	52	Clear	
Seattle	50	44	02	Cloudy
Spokane	44	34	T	Cloudy
Walla Walla	54			
Washington, D.C.	48	34	Clear	

# Held For Treason



Richard Rolderer (above), formerly of Cleveland and Chicago, is another United States citizen who has run afoul of Nazi officials in Germany. He is expected to be arraigned in Berlin on a charge of treason because of writings found in his notebook as he was about to enter the country. (Associated Press Photo)

Jack Walker, Wm. Heath, Al Seekatz, John Niedermeyer. After installation a dancing party was held at Lithia hotel ball room, enjoyed by Ashland and Medford Activists and their lady guests.

# 2 HORSES KILLED WHEN HIT BY CAR

Lyle Hurd, forest service employee at the spike camp near Talent, struck three horses loose on the Jacksonville highway near Oak Grove at 5 o'clock this morning, killing two of the horses, almost completely demolishing the front end of his car, and giving Hurd severe cuts about the head.

Hurd was driving to Talent to report to work from his home on the Applegate, when the accident occurred. It was stated by Hurd that he didn't see the horses until about 50 feet from them, when they ran out of the driveway of the Pennington home. The horses belong to Charles Campbell, local men's clothing and dairy man. Campbell stated today that the horses were supposed to be in a pasture three-fourths of a mile away, and could give no explanation of their being at large.

**Wiedman Recovers**—Dr. E. D. Wiedman, educational coordinator for the Medford CCC district, was back on the job Monday after an illness of over a week. Dr. Wiedman was taken to the hospital with pneumonia just after the educational conference opened here Feb. 8.

# DEW AIDED RESCUE MACON SURVIVORS

A fact of local interest concerning the Macon disaster last week is that Lowell Dew, former Medford high school student and graduate of Annapolis, was in command of a lifeboat from the U. S. S. Richmond which picked up 39 of the dirigible's men shortly after the crash.

In a letter to his parents, Mr. and Mrs. T. A. Dew of the Jacksonville highway, Ensign Dew described the rescue briefly, stating that the men his boat picked up had been packed in their tiny rubber lifeboats for an hour and a half and were "very glad to see their rescuers. Mrs. Dew said her son limited his description of the rescue to only four lines in the letter, but said the men were extremely fortunate that the sea was not rough and that the Richmond was on hand.

Ensign Dew is in San Francisco, where he will be until February 23, before returning to San Diego, where his ship is stationed during maneuvers in the Pacific.

# 4-H CLUB LEADERS MEETING TUESDAY

There will be a meeting for all 4-H club leaders of Jackson county at the county court house auditorium Tuesday evening, February 19, at 8 o'clock. Mabel G. Mack, county home demonstration agent, announced today. The purpose of the meeting is to discuss leadership problems in subject matter and organization and to discuss the organization of a county local leaders' association.

H. C. Seymour, state club leader of Corvallis, will be the principal speaker. Mr. Seymour will discuss county and state leaders' associations.

# VIOLA TOLLEFSON TAKEN BY DEATH

Viola D. Tollefson, passed away at her residence 20 Washington street, at 3 p. m. Sunday.

She was born at Minneapolis, Minn., May 23, 1893 and was aged 35. She had been a resident of Medford for the past eight years. Besides her husband, Aliven Tollefson, she leaves her mother, Maude Darling and two sisters, Dorris Owens and Faith Hansen, all of Minnesota.

Funeral services will be held at the Conger chapel at 3 p. m. Wednesday with the Rev. R. Peterson officiating. Interment will be in the Siskiyou memorial park.

# HOLD G. P. YOUTH FOR GRAND JURY

A. C. Hawking, a Grants Pass youth, who allegedly passed a forged check amounting to \$138, upon the proprietor of a Central Point service station, was ordered held to await action of the grand jury by Justice of the Peace W. R. Coleman Saturday afternoon.

The accused youth failed to take up the small check the authorities said, though given opportunity to do so.

Thomas H. Emmons, charged with operating an auto without a muffler, was fined \$5 and costs. Emmons denied he was traveling at a high rate of speed on the Pacific highway near Central Point, as charged by the state police.

Al Muesel, charged with exceeding the speed limit in his auto, was scheduled for a hearing late today. Muesel, the court records show, was charged with the same offense several weeks ago, and assessed a fine and costs.

# LITHIA SPRINGS SALE APPROVED

An order granting the state bank superintendent, in charge of liquidation of the Citizens' National bank of Ashland, right to sell to the city of Ashland 56.75 acres of land for a proffered price of \$10,000 has been signed by Circuit Judge H. D. Norton. The land embodies the Lithia Springs, owned by the Pompadour Mineral Springs company, and upon which an encumbrance of \$17,142 exists as a judgment. Ashland voters at a recent election approved of the purchase by the city.

Another order giving the state bank superintendent the right to accept \$180 from the California-Oregon Box company, as a six months' payment of interest on a note held by the bank, was signed. The order makes the interest rate 6 per cent, instead of 8 per cent, and provides for interest payment at that rate in the future.

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