

The Weather Forecast
Fair today and tomorrow; little change in temperature.
Temperature
Highest yesterday.....90
Lowest yesterday.....62

MEDFORD

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Thirty-Third Year

MEDFORD, OREGON, SUNDAY, JULY 31, 1938

No. 111.

HOPE FALES FOR MISSING CLIPPER

The Capital Parade

By Joseph Alsop and Robert Kintner

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STATE DEPARTMENT WINS ROUND WITH FASCISTS
DEAL WOULD HAVE GIVEN GERMANY HAITIAN EDGE
U. S. EXPORT-IMPORT BANK HELPS AMERICAN FIRM
INDIRECT TREASURY LOAN INCREASES PUBLIC WORKS

WASHINGTON, July 31.—If any single group may be said to "own America," it is the insurance companies. Eighteen large life companies are estimated to have \$19,000,000,000 in assets; the assets of the American insurance business are now \$22,000,000,000, and the total is increasing by \$500,000,000 annually. Nowhere in the American economy is there so vast or so closely controlled a pool of capital. No one exercises a greater power than the insurance executives, investing literally millions of dollars every day. No single business touches the lives of so many Americans.

And now, for the first time, insurance business is to be taken apart to see how it ticks. The New Dealers behind the anti-monopoly investigation are preparing to do the job in the most complete fashion.

There's been talk that the monopoly investigation won't, after all, be as aggressive. The talk is nonsense, if only because the New Deal advance guard has arranged an iron-clad control of the investigating committee, and is already thinking of asking congress to supplement the committee's \$500,000 appropriation with another \$2,000,000. The plan to go after the insurance business is proof enough that the investigation will be one of the major events of the time. How the investigation will work is well illustrated by the program on the insurance front.

As the investigation's real purpose is to dramatize the concentration of economic power, the central objective will be discovering the extent of the insurance companies' influence. How it is used, and for whose benefit. For convenience, the investigation is likely to be limited chiefly to the eighteen large life companies. The monopoly investigators expect to subpoena the minutes of the companies' boards of directors, go through their records for data on general policy, and circulate elaborate questionnaires.

As the life companies are mutual companies, they are owned by their policyholders. And since the policyholders seldom know of their voting privileges, the management tends to be self-perpetuating. The monopoly investigators will want to know the method, the extent and the results of this self-perpetuation.

They will ask why the mighty metropolitan life has one Frederick Ecker for board chairman and another for executive vice president, and how top executives are appointed in other companies. They will want to know how boards of directors are chosen, and just how much work big names, like Herbert Hoover and Alfred E. Smith, do on the boards. They will seek a reason for Wall Street's habit of calling Metropolitan "a Rockefeller company," the New York Life "a Morgan company," and Mutual Life "a First National company."

Naturally, there are many subsidiary problems with which the investigators will deal. There is the matter of the insurance companies' investment method. The power to invest great sums of money is a great power. How is it used by the insurance companies? What tests do they apply to their investments? How profitable have the investments been? And who has benefited? One little-known fact is that, since publicly sold securities were required to be registered, almost as many industrial bonds have been disposed of privately to the insurance companies as have been offered openly through underwriters.

Again, how do the insurance companies deal with the innumerable farmers and land-owners whose mortgages they hold? Are their policies toward their borrowers healthy for the economy at large? Then what are their relations with their policyholders? Are the policyholders invited to exercise their legal control of the companies? Or are they discouraged or prevented? Finally, how efficient is the insurance business as a social mechanism? Are its premiums too high, or do the people get their money's worth?

Forming are some of the questions which the monopoly investigation will ask.

HUGE OIL 'SLICK' INDICATES PLANE PLUNGED IN SEA

Navy Continues Search—Pan-American Line Officials Not Convinced Air Liner Lost.

MANILA, July 31.—(Sunday)—A huge and significant oil "slick" found on the ocean surface left searchers with scant hope today of finding the missing Hawaii Clipper and its 15 occupants. But the forlorn hunt continued.

The big oil patch was found yesterday by the army transport Meigs on the course the trans-Pacific flying boat was following between Guam and Manila when it vanished Friday (Thursday night, Pacific time). Samples dipped out by the Meigs for scientific examination showed the "slick" contained lubricating oil and gasoline. It was about 1,500 feet in circumference and it lay only 50 miles west by southwest of the spot where the plane last reported its position.

Aviation circles generally regarded the find as evidence that the Clipper plunged into the sea, but officials of Pan American Airways refused to give up hope of rescue. They conceded the slick was "significant, but not conclusive."

Several warships moved into position to continue their search off the east coast of the Philippines pending examination and a further report on the composition of the slick.

The spot in question, however, was not on any ship or air route and experts concluded there could have been no other craft in that area to have caused it.

On many occasions the navy has discontinued searching for its own lost planes upon finding the telltale oil spot on the water.

The Meigs, nearest vessel to the Clipper when it made its last radio report, searched the slick for possible traces of wreckage but in the first attempt found none.

At dawn she resumed patrolling of the oil slick area but several hours later reported she had found nothing new.

Three army bombers out of Manila reached Tacloban, on Leyte gulf in the east central Philippines, preparatory to flying seaward for an aerial inspection of the oil slick.

Three destroyers also were reported to have started from San Bernardino straits, at the southeastern tip of Luzon island, to search the ocean between there and the Meigs.

The Clipper was about 300 miles east of Manila at the time of her last position report, at 12:30 p. m. Friday, Manila time, or 8:30 p. m. Thursday, Pacific standard time.

Some Pan American officials suggested the slick might have been made by the voluntary dumping of "anchor oil" from the plane preparatory to an unscheduled landing at sea, and that the strongly built 24-ton plane might have taxied or drifted away thereafter.

J. W. Jewett of Oakland, Calif., fourth officer on the Hawaiian Clipper, addressed the Medford 20-30 club a few months ago. He told his experiences with Pan-American aviators and engineers in survey flights over the Pacific.

PORTLAND, July 30.—(AP)—As search for the missing Hawaii Clipper stretched on without results, Portland friends of Major Howard C. French, aboard the big plane, sadly recalled the boisterous send-off they had given the noted aeronautical man, when he left here Friday, July 22.

Masking up as officers they "arrested" Major French and hustled him to Swan Island airport and accorded him a giddy farewell.

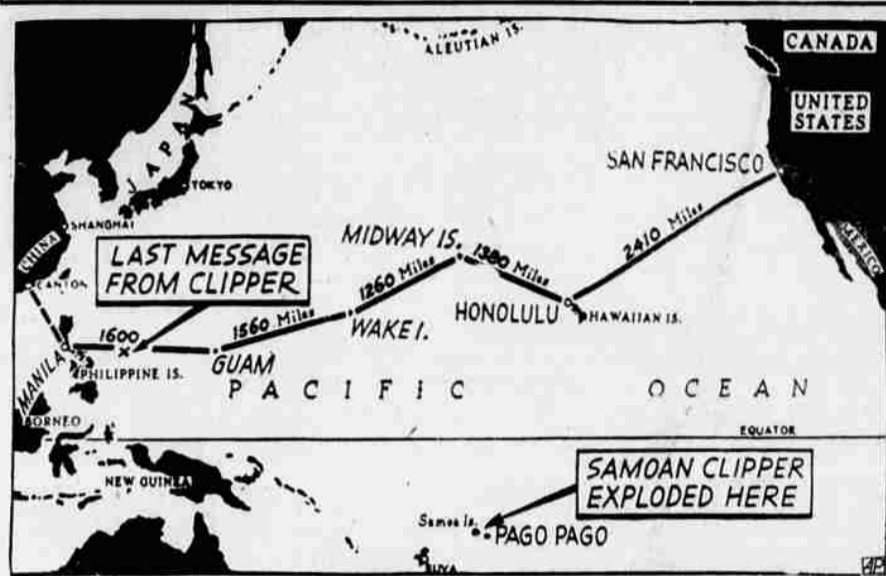
Interviewed just before the transport plane took off for California, Major French, commander of the 321st observation squadron, world war ace and former state aviation inspector, said:

"I hope to get up to Canton while I'm over there. I want to be in Canton when the Japanese pull another raid on the town. I want to see how the bombs drop now. It's been quite a while since I was in the aviation corps during the world war. I saw plenty of them drop then, but maybe styles have changed."

WASHINGTON, July 30.—(AP)—Senator Borah's nurse said today he was "much better" and was expected to go out within a few days for the first time since he became ill. The Idaho Republican has been ill for several weeks with a condition ascribed to exhaustion.

WASHINGTON, July 30.—(AP)—A new federal law restricting interstate movement of firearms became effective today. The statute was drawn as an anti-crime measure, but covers all arms. Justice department authorities, said, however, it would not interfere with obtaining guns for sports purposes.

Where Hawaii Clipper Was Reported Missing



This map locates the approximate position of the Hawaii Clipper when she last was heard from on a flight from Guam Island to Manila, P. I., with 15 persons aboard. The ship began its trans-Pacific journey at Alameda, and had negotiated its regular hops to Hawaii, Midway, Wake and Guam when it disappeared.

JAPANESE CLASH WITH RUSS FORCE ON SIBERIA LINE

Tokyo Claims Disputed Territory Retaken After 'Terrible Fight'—Situation Tense.

TOKYO, Sunday, July 31.—(AP)—Japan and Soviet Russia came to grips today in what the Tokyo war office described as a "terrible fight" in which Japanese recaptured disputed territory along the Manchoukuo-Siberian border.

The situation was extremely tense. Large bodies of troops were deployed on both sides of the border.

Soviet troops were said to be bombarding one border point with heavy artillery from the hills.

The war office announcement declared that not only did Japanese recapture a hill near Changkufeng which Soviet troops occupied July 15, but all other disputed points.

Apparently that amounted to a major battle added a bloody new chapter to the Changkufeng friction which began with occupation by Soviet troops of the strategic hill-top.

Military regulations forbade disclosure of the number of troops engaged, the casualties, or the size of forces now facing each other in the disputed territory, near the junction of Siberia, Manchoukuo and Korea.

A war office spokesman said: "Two days ago Soviet troops occupied Shachofeng, approximately 1,000 yards north of Changkufeng hill, and began fortifying it as they had done at Changkufeng."

DIAMOND ZIPPER SHOWN TO WALLY

PARIS, July 30.—(UP)—The world's first and only diamond zipper, worth about \$5,000 has been taken to the Riviera and likely will be shown to the Duchess of Windsor as a prescriptive customer, it was reported today.

The zipper is composed of thousands of tiny diamonds. Fashion experts said it is destined to become a part of what eventually will be the world's most expensive dress.

When put on a gown, the zipper will extend from the neck to the waist. In tryouts it opened easily and silently.

TINY FILM QUEEN ORDERED TO REST

BOSTON, July 30.—(AP)—Shirley Temple, dimpled nine-year-old movie star, today was confined to bed, by order of two Boston physicians, who said she was a victim of "too much heat and excitement."

Dr. Harold Higgins and Joseph L. Lewis said Shirley, here with her parents on a vacation tour, was running a temperature of 100.5, but that a day in bed would restore her to full health. She reached Boston from New York last night.

Missing On Hawaii Clipper



Aboard the Hawaii Clipper when it took off from Guam into an uncertain fate were K. A. Kennedy (left), of Piedmont, Calif., division traffic manager for Pan American Airways, and Capt. Leo Terletzky (right), in command of the huge flying boat. There were 13 others aboard.

SENATOR REAMES OFF FOR ARIZONA, WYOMING MEETS

United States Senator A. Evan Reames left by train last night for Winslow, Ariz., where he will take part in a senate inquiry on the necessity, suitability and feasibility of creating the proposed Petrified Forest national park in Navajo county, Ariz., to embrace what is now the Petrified Forest national monument. The senator was accompanied by J. Reames.

Senator Reames will participate in the inquiry as a member of the senate committee of public lands and surveys. He will be associated with Senator Ashurst of Arizona and Senator Hatch of New Mexico as a sub-committee investigating the national park proposition in Arizona.

From Winslow, Senator and Mrs. Reames will proceed to Jackson Hole, Wyoming, where another senate inquiry will be held.

At Jackson Hole the committee will investigate the feasibility of extending the boundaries of the Grand Teton national park to include additional territory in Teton county, Wyoming. An examination will be made of the land proposed for the addition and hearings will be held and witnesses heard to determine the attitude of the citizens of the county toward the proposed extension. Senator O'Mahoney of Wyoming is chairman of the committee and at Jackson Hole Senator Reames will be associated with Senator Swartz of Wyoming and Senator Murray of Montana as the investigating sub-committee.

The sub-committee are to report their findings to congress.

Senator and Mrs. Reames will register at the Lapeoda hotel in Winslow where the Arizona sub-committee will meet on August 2. After the hearing the senators will inspect the petrified forest and the natural and physical properties in full compliance with the senate resolution authorizing the investigation, Senator Reames said.

On August 4, Senator and Mrs. Reames will go to Grand Canyon and on the evening of that day depart for Jackson Hole where the Wyoming hearing will be held. Senator and Mrs. Reames planned to spend a few days at nearby Yellowstone national park before returning to their Medford home. The senator said the two hearings would probably require at least three weeks.

MUSSOLINI IRKED BY PAPAL CLAIM NAZIS IMITATED

FORLI, Italy, July 30.—(AP)—Discord between the church and the Italian state broke out anew today as Premier Benito Mussolini brushed aside papal criticism of the fascist Aryan race doctrine with 25 scornful words.

In the first announcement he has made personally on racial policy, Il Duce characterized as "absurd" Pope Pius' assertion that it was in imitation of Nazi Germany.

He used 25 words in Italian to tell a group of fascist party officials in camp at Forli:

"You know and everyone knows that on the question of race also we will march straight ahead.

"To say that fascism has imitated anyone or anything is simply absurd."

The two sentences from his address were distributed by Stefani, official Italian news agency. No further quotations were made available.

Il Duce's statement that "we will march straight ahead" was the same as he uttered frequently during the Italo-Ethiopian war to express determination to proceed regardless of opposition.

The dispute, now in the open after smouldering several months, worried Catholics lest it spread to other matters which, in the past, have been in contention between the church and the state. These include activities of Catholic Action, lay organization of the church, and fascist education of youth.

Night Game	
Seattle	1 5 0
Sacramento	2 3 0
Barrett and Fernandez	Strill and Franka
Score:	
Hollywood	7 14 5
San Diego	12 14 5
Blen, Hutchinson and Amunson; Ward, Balvo and Hogan.	
No Portland-Los Angeles game. Unscheduled	

GANGSTER LAWYER FREE; TO TELL ON TAMMANY LEADER

'Dixie' Davis Turns State Evidence And Pleads Guilty In New York Racket Case.

NEW YORK, July 30.—(P)—J. Richard (Dixie) Davis, disbarred attorney, was paroled from Tombs prison today after promising Dist. Atty. Thomas E. Dewey he would plead guilty and testify for the state at the forthcoming policy racket trial of James J. Hines, Tammany leader.

Hines, Davis, Martin Weintraub and five others were indicted on charges of conspiracy and operation of the policy game once controlled by Dutch Schultz, slain gangster. The trial of the first three was scheduled to start August 15 before Supreme Court Justice Ferdinand Pecora and a jury selected from a special panel.

Fearing bodily harm or death should he be kept in prison, Davis asked to be placed in Dewey's custody. The request was granted by Justice Pecora, who signed the parole order.

Davis was released from his Tombs cell shortly after Justice Pecora signed the order and discharged the \$75,000 bail order in which he has been held since his arrest in Philadelphia early in February. Dewey did not disclose where Davis, once attorney for Dutch Schultz, slain gangster, would reside.

The move to free Davis from the Tombs came unexpectedly although it had frequently been reported that he would testify for the state.

Davis was attorney for Schultz at the time the gangster was shot down in a Newark, N. J., tavern in October, 1935.

Indicted in New York county, he fled and was discovered hiding in Philadelphia in the company of his Broadway sweetheart, Hope Dare, red-haired actress.

Held in the Tombs, first in \$200,000 bail and later in \$75,000, Davis sought and was granted permission to receive outside medical and dental attention.

He left the prison regularly until it was discovered he also was visiting, besides his doctor, Mias Dara, who had moved into an uptown apartment.

WEST PARK, N. Y., July 30.—(UP)—Howland Spencer said today that he did not sell his Krum Elbow estate to Father Divine, Harlem's negro "god" for the purpose of splitting President Roosevelt, his neighbor at Hyde Park across the Hudson.

No, indeed, but— "I got to thinking afterward," he said, "of the steamboats that will bring thousands of colored people from New York to swim in the Hudson here, and I have pictures on the hills, and it sort of amused me."

"Whether we meant to or not, this really will annoy Franklin a great deal, won't it?" Spencer said he sold the estate to Father Divine—who intends to establish there a "divine, modern, mystic standard of living"—because Father Divine offered him the best price. But he added, the potentialities of the situation could hardly escape him, now that the deal was completed.

FAIR AND NORMAL FOR COMING WEEK

Northern California: Fair Sunday but fogs on coast; high temperature in interior; moderate northwest wind off the coast.

Oregon: Generally fair Sunday, with fogs on coast; little change in temperature; gentle northwest wind off coast.

Outlook in far western states for the period August 1 to 5: Fair weather with temperatures near normal.

Liner Bremen Ashore SOUTHAMPTON, England, July 30.—(P)—The liner Bremen ran aground entering the harbor here today and gave some of her passengers a slight shaking.

Wool Sales Brisk BOSTON, July 30.—(AP-USA)—The wool market in Boston was quite active the early part of the past week but slackened later as large operators completed covering their most urgent needs.

What's The Hurry?

LITTLE ROCK, July 30.—(AP)—A woman, learning to drive, ran her automobile through R. H. Weber's front yard and onto the porch of his home Tuesday night. It was still there tonight, chained by Mr. Weber to one of the surviving pillars of the porch. Weber said it would remain chained there until he reached a satisfactory agreement with its owner concerning damages.

CANADIAN TRADE PACT PRAISED BY FARLEY ON VISIT

Victoria Banquet Told Mutual Benefits Received And Down Trend Checked

VICTORIA, B. C., July 30.—(AP)—Postmaster-General James A. Farley of the United States said tonight it was "to the mutual credit" of his country and Canada that downward economic trends of the past year had been regarded as an "added incentive rather than a deterrent to their joint efforts toward a broader trade pact."

In his address to the Canadian club here, Mr. Farley said the progress of trade negotiations between Ottawa and Washington "transcends all other questions in importance for our two countries."

"When our first trade agreement was signed Nov. 15, 1935, I think we all realized how important a step we were taking," he said. "Adjustment to the new position was on the whole easy, and it seems a little strange to us now that x x we should have been so long in providing a firm contractual basis for our commercial relations."

"x x We made a good beginning in 1935 and I think the individuals are few and far between who doubt that the agreement now in force had operated to the real advantage of both countries."

He said there were definite indications that the downward trend of industry had been checked.

ALL DETROIT PAYS TRIBUTE TO FORD

DETROIT, July 30.—(UP)—The city in which Henry Ford turned his inventive spark into an industrial empire reaching around the world gave him a ringing tribute today on his 75th birthday.

Ford was deeply moved. He fought to keep back the tears this morning when 10,000 children in the fairgrounds chorus sang "Happy Birthday to You." When a little girl in a white dress naively presented him a bouquet of roses, the man whose word commands nearly a million persons and whose fortune runs into nine figures could mumble only a "Thank you."

All Detroit joined in the birthday party. In Dearborn last night a pageant was held in his honor. This morning the children from all the city's playgrounds waved American flags and shouted Ford's name at the coliseum as he drove around the arena in a 1908 car.

NAZI PLANE SET FOR GLOBE JAUNT

WASHINGTON, July 30.—(UP)—Bureau of air commerce officials said tonight that a permit to land in Alaska has been granted for a German round-the-world flight.

The German embassy described the trip, in August or September, as a series of long-distance tests and said no effort would be made to beat Howard Hughes' globe-circling record.

The plane, a four-motored Focke Wulf Condor, will be commanded by Captain Henke. The six-man crew will comprise Captain Von Moreau, co-pilot, a navigator, a radio operator and mechanics.

It was planned after traversing India and China for the plane to stop at Tokyo and jump from northern Japan to Nome, Alaska. Bureau officials said the next stop would be San Francisco.

Harvest Hand Killed PENDELTON, July 30.—(P)—Caught between the fender and tool box of a tractor when he stepped from the drawbar to the track, Jack White, 41, harvest hand, was fatally injured yesterday on the McEhee ranch near Healy. A crushed side was the cause of death.

PRIMARY VOTING THIS WEEK TESTS NEW DEAL POWER

Tennessee Election Thursday, Kentucky Vote Saturday Eyed By Washington As Barometers.

WASHINGTON, July 30.—(P)—The Roosevelt administration stands to gain great political advantages or lose considerable prestige in Democratic primary elections next week.

Six of the 15 primaries scheduled during August will be held within five days. Senate nominations are at stake in Kansas, Missouri, Tennessee, and Kentucky, but primaries in Virginia and West Virginia involve only representatives.

The outcome of two senatorial contests on Tuesday appears reasonably predictable. Capital politicians believe Sen. George McMillin, who has only nominal opposition, will win in Kansas, and they expect the Missouri nomination to go to Bennett Champ Clark, an anti-administration leader in the senate, who has powerful state and city organization backing.

Thus in the first two major primaries the administration should break about even with the conservative Democratic forces.

The third senatorial primary of the week will be Thursday in Tennessee. Sen. George L. Berry, traditionally an ardent administrationist but recently cool toward the new deal, is seeking the nomination against several opponents.

The administration has stayed scrupulously out of the Tennessee situation, complicated by a state organization fight. The senate campaign expenditures committee severely criticized all factions in a statement this week.

It is in the Kentucky race that the White House may achieve its greatest victory or suffer its worst defeat because President Roosevelt has asked in no uncertain terms for the renomination of Senate Majority Leader Barkley over his opponent, Gov. A. B. Chandler.

If Barkley wins next Saturday, the victory will be interpreted universally as a personal triumph for the president. Should Chandler emerge victorious, the prestige of the administration would be severely shaken.

HOME TOWN PAYS HONOR TO HUGHES

HOUSTON, Texas, July 30.—(UP)—Howard Hughes, the young millionaire who set a record for flying around the world, came home today and told the workmen in his manufacturing plant that they were responsible for his achievements.

Estimates of the wealth of the 32-year-old sportsman-flier range up to \$35,000,000. He got most of that from the oil tool manufacturing plant which his father founded and which is now the biggest plant of its kind in the world. Today, making his first trip home in eight years, he ducked out of the receptions arranged in his honor long enough to stink to the 3,000 craftsmen in the plant and tell them:

"If it wasn't for your diligence, I'd be pushing a plow in a cornfield." Hughes, who was a promising young golfer and man about town before he left Houston to gain fame and fortune as a movie producer and scientific aviator, was given a city-wide reception in honor of his record-breaking flight around the world.

PRESIDENT GETS MAIL AT PANAMA

BALBOA, C. Z., July 30.—(UP)—President Roosevelt on Monday will receive his first mail since he left the United States three weeks ago on a fishing trip.

It was the longest time that Mr. Roosevelt has been without official mail since he has been in office.

The United States destroyer Dallas will leave here late tomorrow with three bulging pouches of official mail forwarded by airplane from Washington. The Dallas will meet the United States cruiser Houston which carries the presidential party at Cocos island, 500 miles southwest of here.

The Dallas also will bring back official dispatches from the Houston and send them by plane to Washington.