

**The Weather**  
Forecast: Fair tonight and Thursday; not much change in temperature.

Temperature  
Highest yesterday 80  
Lowest this morning 50

**Good Investment**  
Buying and selling through the Classified columns of this newspaper is a regular habit with a lot of people. While these Ads. are inexpensive they do produce good results. You will find them a good investment.

# JAP TROOPS RUSHED TO NEW FRONT

## The Capital Parade

By Joseph Alsop and Robert Kintner

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URGING OF SEC CHANGES DISTURBS NEW DEALERS

BOOKLET AUTHORITY LAID TO MORGAN, STANLEY & CO.

UNDERWRITING BY BANKS, MORE MEMBERS URGED

MOVE TO INCREASE CONSERVATIVES SEEN

WASHINGTON, Aug. 3.—Among the fiscal and financial experts of the New Deal, there is a tremendous to-do at the moment over a document modestly entitled "A 1938 Memorandum Regarding the Federal Securities Act of 1933." It carries no author's name, and is subtitled only "Prepared for Discussion Purposes." But, except for its slight air of mystery, it would normally seem an admirably written, well got-up study of the securities laws, containing recommendations for important changes.

As it happens, however, the pamphlet was sent to the Securities and Exchange commission as the product of Morgan, Stanley and company. According to the SEC's New York informants, the great underwriting house, off-shoot of J. P. Morgan and company, has given the pamphlet a wide circulation in financial circles. The SEC accepts the attribution, and therefore traces to Morgan, Stanley such recent moves toward amendment of the securities laws as the Investment Bankers' association decision to study the matter.

There are two reasons for all the excitement. First, the memorandum recommends, among other things, that banks be permitted to reenter the underwriting field, and that the SEC membership be enlarged to seven or nine. These recommendations are deemed daring.

And, second, the New Dealers have become to expect political quiescence from Morgan's and Morgan, Stanley, in the old Republican and early New Deal days. J. P. Morgan and company was often consulted on steps to be taken by the treasury. But since the great battles of the banking, securities and exchange acts, Morgan's and Morgan, Stanley have tended to their knitting. Thus, the New Dealers have been taken by surprise.

The Morgan, Stanley memorandum, if such it is, is distinctly moderate in tone. Each of its ten recommendations—

## Clash With Russians Forces Withdrawals From Chinese Lines

PEIPING, Aug. 3.—(AP)—Large-scale Japanese troop movements north through Manchoukuo and through inner Mongolia toward outer Mongolia, which is under Soviet protection, were reported today by travelers from Manchoukuo.

They said there were as many as 10 troop trains daily proceeding north through Mukden. Most of these soldiers were believed withdrawn from Shantung and Shansi provinces in China.

Considerable bodies of Japanese troops were entering inner Mongolia through Kalgan, to the west, they said.

Inner Mongolia for some months had been virtually denuded of Japanese troops, who had partially occupied the region, owing to demands of the north China campaign.

During the past few days, however, the travelers said, a steady stream of fighters has been sent by truck out of Kalgan toward Ude, which is on the outer Mongolia border on the Kalgan-Urga road.

Others were reported to have been sent eastward along the border from Ude while Mongol troops from Jehol province had been sent to line the frontier west of Ude.

## Roosevelt Advisers Doubt Russia, Japan Will Come to Grips

WASHINGTON, Aug. 3.—(AP)—Men to whom the administration looks for guidance clung today to the conviction the latest Russo-Japanese fighting was likely to conclude in an armed truce.

Regardless of pitched battles along the Manchoukuo-Korea-Siberia border, well-informed persons still are inclined to view the clash as a local affair destined to be settled locally.

Neither Japan, embroiled with China, nor Russia, concerned over European threats and internal problems, desires a general war at this time, in the view of several diplomatic and military experts here.

All observers, however, are ready to revise their judgment quickly if the boundary fighting shows signs of getting completely beyond control.

Official state, war and navy department comment has been limited to Secretary Hull's statement yesterday the government was observing with special interest the varying reports from Tokyo and Moscow.

Privately it was disclosed that months ago a detailed study of official reports to view the clash as a local affair, still held, that neither side wanted a conflict of the proportions of the 1904 Russo-Japanese war.

## Midwest Stews in Record Heat

CHICAGO, Aug. 3.—(AP)—Much of the midwest simmered under the most severe heat wave of the summer today, but showers or cool breezes were expected to bring relief to most of the area by tomorrow.

The northern and central great plains region baked under cloudless skies yesterday, with thermometers soaring to 106 degrees at Huron, S. D.; 108, Goodland, Kas.; 102, Dodge City, Kas.; 106, North Platte, Neb.; 102, Rapid City, S. D., and 108 at Valentine, Neb.

A far west heat wave which has claimed 17 lives in southern California and Arizona moved eastward from the desert again today. Yuma, Ariz., reported 110 degrees, Phoenix, 108, and many inland California cities above 100.

NEW YORK, Aug. 3.—(AP)—The temperature at noon today—92.4 degrees—set a record for the date, but the humidity was low and New Yorkers weren't as uncomfortable as they had been for the last week when both were high.

## Pendergast Places Blame for Defeat

KANSAS CITY, Aug. 3.—(AP)—T. J. Pendergast said today the defeat of his Kansas City Democratic organization candidate in the Missouri primary yesterday was the work of "the Republican metropolitan press of Missouri and the Republican voters."

Pendergast's organization gave Judge James V. Billings a 98,000 majority in Kansas City for the Democratic supreme court short term nomination but Judge James M. Douglas of St. Louis, backed by Pendergast's intra-party rival, Gov. Lloyd C. Stark, won with a St. Louis and out-state vote.

Pendergast struck at the policy of permitting Republicans to vote as Democrats by making affidavits to vote Democratic in November.

## Manufacturer Is Burned to Death

PORTLAND, Ore., Aug. 3.—(AP)—Russell H. Farley, manufacturing company executive, lost his life today when fire destroyed his \$75,000 home in the exclusive Southwest Highland road district.

Mr. and Mrs. William Ackerman, caretakers, were uninjured when they leaped from a second story window. Sheriff's deputies made a futile attempt to check the roaring flames. Fire fighting equipment was absent because the residence was outside the city limits.

# Roosevelt, Foes Divide Primary Honors

## CONVICTED YOUTH SHIFTS BLAME TO EX-SHERIFF AIDE

Paul Dwyer Testifies Former Deputy Sheriff Kills Country Doctor — Threats Caused Confession.

SOUTH PARIS, Me., Aug. 3.—(AP) Paul N. Dwyer, 18-year-old convicted slayer of a country doctor, today named former Deputy Sheriff Francis M. Carroll as the man who committed the murder for which Dwyer now is serving a life sentence.

Asked by Pros. Ralph M. Ingalls if he had murdered Dr. James G. Littlefield, Dwyer answered "no."

"Did you see him murdered?" Ingalls asked.

"Yes sir, I did."

"Who did murder him?"

"Francis Carroll."

"The respondent at the bar?"

"Yes sir."

Dwyer, sent to prison after confessing the murder of Dr. Littlefield, was said by Prosecutor Ingalls in his opening address, to have taken the blame after death threats by Carroll, whom he described as a "vicious killer."

Daughter at Trial

The room was packed with an audience which included Dwyer's former sweetheart, Barbara Carroll, 18, daughter of the man on trial.

Dwyer testified Carroll threatened to "ruin" him and his family unless he relinquished letters from Barbara, which he said, disclosed allegedly improper relations between the former deputy sheriff and his daughter.

Dwyer, under questioning by Ingalls, related the interesting history of his small town boyhood and high school friendship with Barbara.

"Did you become intimate?" Ingalls asked.

Judge William H. Fisher struck out his low answer, and explained to the pallid youth he could answer if he wished, but did not have to "incriminate" himself.

Ingalls again asked the question.

"I'd rather not answer that," Dwyer said.

Dwyer testified Carroll killed the elderly physician in the bathroom of the Dwyer home after the doctor had informed Carroll he knew "all about you and Barbara."

Doctor Threatened Expose

Dwyer said the doctor told Carroll: "I think you belong in state prison and if there is no one else in South Paris who is man enough to send you there, then I will."

Dwyer testified Carroll followed the doctor upstairs to the bathroom, shouting "What do you mean?"

"Just what I said," he said the doctor replied.

"And then what happened?" asked Ingalls.

"I heard sounds of a struggle. I ran up the stairs, grabbing a wrench and a hammer as I went."

"At the top of the stairs the doctor was stooped over, leaning against the wall, and moaning."

"I tried to hit Carroll with the wrench but it came apart. Carroll grabbed the hammer from me and hit Dr. Littlefield with it."

Q. "And then?"

A. "The doctor reeled and fell after two or three blows."

"I shouted to Carroll, 'You've killed him,'" Dwyer said.

## BASEBALL

**American**

Philadelphia	R. H. E.
Chicago	14 18 0
Chicago	2 10 1
Thomas, Smith and P. Hayes; Whitehead, Boyles, Russell and Sewell, Schlueter.	

**First game:** R. H. E.  
Boston 4 9 2  
Cleveland 3 6 2  
Wilson, Ostermueller and Peacock; Demutsels; Harder and Pytlak.

**National**

Pittsburgh	R. H. E.
Boston	9 18 1
Boston	4 10 3
Blanton, Brown and Todd, Berres; Turner, Hutchinson and Lopez, Riddle.	

**First game:** R. H. E.  
Chicago 3 11 0  
New York 8 12 1  
Lee and Hartnett; Grabark; Gumbert, Coffman and Mancuso.

**Second game:** R. H. E.  
Pittsburgh 5 10 1  
Boston 3 8 2  
Bauers, Bowman and Berres; Ris, Erickson, Turner and Mueller.

**Cincinnati** R. H. E.  
Philadelphia 6 10 1  
Grissom, Casarella, Moore and Hershberger; Passseau, Johnson and V. Davis.

## G. PASS DANGERED BY BRUSH FIRE ON NORTH OUTSKIRTS

Four Cottages Destroyed at Irish Village Inn As Flames Race Through Grass and Small Timber

GRANTS PASS, Aug. 3.—(AP)—Four cottages at Charles Cooley's Irish Village Inn were destroyed and one family fled with 1000 chickens yesterday when a fire raced through grass, brush and scattered timber a mile north of here.

The flames were whipped across the Pacific highway toward town by a brisk wind. The fire was controlled before it reached a broad strip of green, irrigated land protecting the city.

Other homes scattered throughout the fire area escaped damage.

The flames raved northward away from the city during the night and covered 60 acres before they finally were trailed.

Cooley estimated his loss at \$2000.

A hint of the potential danger to the city was evidenced today when E. M. Abel, city employe, exhibited bits of burned leaves and bark which crossed the tinder dry roofs of the town and settled at the filtration plant more than three miles away. Abel burned one thumb slightly picking up a piece of charred pine tree bark.

## Missouri Winner



A chance at the Democratic presidential nomination in 1940 was seen for Senator Bennett Clark of Missouri (above) foe of the court bill and other White House measures, following his landslide renomination in Tuesday's Democratic primary.

The fire was discovered a little before 7 a. m. by R. A. Botta, a neighbor. He notified the occupants and then telephoned the fire department.

The fire department dispatched a chemical crew and telephoned the state forest office here to send a pumper. The pumper used water from an irrigation ditch but the house was too far gone to be saved.

The fire started in the attic or on the roof from a defective flue or chimney, Chief Roy Elliott said. The house, old and dry, burned swiftly. It was the first house on the right side of Lozier lane off the Jacksonville highway.

## MISSOURIANS GIVE SEN. CLARK HEAVY NOMINATION VOTE

Kansas Senatorial Aspirant Accused of Nazi Sympathies Runs Third in Republican Primary Ballot

By the Associated Press

Missouri: Sen. Bennett Clark, frequent Roosevelt critic, wins Democratic renomination by landslide; former Gov. Henry S. Caulfield chosen Republican nominee.

Kansas: Sen. George McGill, Roosevelt follower, easily wins Democratic renomination; former Gov. Clyde M. Reed captures Republican nomination; the Rev. Gerald Winrod, called pro-Nazi by opponents, runs third; Gov. Walter Huxman, Democrat, renominated; will be opposed by State Sen. Payne Rattner, Republican.

Virginia: Two Roosevelt supporters lose house races; Rep. Howard Smith defeats William E. Dodd, Jr., 3 to 1; former Rep. Colgate Darden unseats Rep. Norman Hamilton.

West Virginia: Representatives Ramsay, Edmiston and Johnson, who have backed president, win Democratic renomination.

## Primaries in Brief

By the Associated Press

Roosevelt backers and anti-administration candidates divided the Democratic honors today in four primary elections.

Sen. Bennett Clark of Missouri, foe of the court bill and other White House measures, won a landslide renomination. So did Sen. George McGill of Kansas, loyal follower of the president.

Their victories were not unexpected, however, for both had the active backing of their state party organizations. President Roosevelt had taken no part in either race.

The same division extended to nominations for house seats in two other states. Three West Virginia representatives who have supported the president defeated their opponents, but in Virginia two avowed new dealers lost out.

Dodd badly Beaten

Rep. Howard Smith of Virginia, whose district includes the "home towns" of George Washington and Thomas Jefferson, won a 3 to 1 victory over William E. Dodd, Jr., son of the former ambassador to Germany. The vote, with 10 precincts missing, was: Smith, 19,601; Dodd, 6,530.

Smith, a rules committee member who fought the wage-hour bill, claimed the right to vote as he thought best on administration measures, while the 32-year old Dodd had said, "A vote for me is a vote for Roosevelt." Smith was on the "blacklist" of labor's Non-Partisan League (N.P.L.) but he led 3 to 1 in Alexandria, home of John L. Lewis.

## FOREIGN JEWS BARRED FROM ITALIAN SCHOOLS BY NEW COMMUNIQUE

ROME, Aug. 3.—(AP)—The government announced today all foreign Jews would be barred from Italian schools beginning with the fall term.

A communique issued by the government said:

"Beginning with the scholastic year 1938-1939 the admission of foreign Hebrew students, including those residing in Italy, to all Italian schools of all grades is prohibited."

At the same time it announced a new program to increase the efficiency of the nation's armed forces.

A communique said:

"At recent meetings held by Il Duce with the minister of finance and the chief of general staff of war and air a further program to increase the efficiency of our armed forces was concluded."

It gave no other details.

The ban on Jewish students presumably does not apply to the 47,000 Jews who are Italian citizens.

The fascist race doctrine issued July 14 by a group of fascist professors proclaimed Italians were an Aryan race and denied that Jews were members of "the Italian race."

There has been no move, however, to exclude them from Italian citizenship.

PORTLAND, Aug. 3.—(AP)—Norman Manning, 40, of Beaverton, who leaped from a load of hay on a pitchfork July 29, succumbed today.

## CAMPAIN PROBER HURRIES BACK TO EYE KENTUCKIANS

WASHINGTON, Aug. 3.—(AP)—A senate investigator hastened back to Kentucky today to obtain more facts about primary campaign tactics which his superiors called deplorable.

Chairman Sheppard (D., Tex.) of the senate campaign expenditures committee said the investigator would be kept in the state through Saturday's primary election so no matter who won the Democratic senatorial nomination, the senate would have all the facts.

Kentucky thus became the second state in which the committee has hinted the election eventually may be contested on the senate floor.

The committee last week criticized Tennessee's Democratic primary campaign, saying the victor might face a contest in the senate on the ground of "excessive expenditures."

Whether the Kentucky election might be contested, Sheppard said, depended on what additional information was gathered by the committee's investigator, H. Ralph Burton.

Candidates in the torrid Kentucky primary are Senator Barkley, administration foe leader and Gov. A. B. Chandler. The committee, criticizing both sides without mentioning names, said the primary tactics imperiled "the right of the people to a free and unopposed ballot."

## Buddhists, Moslems Stage New Outbreak

RANGOON, Burma, Aug. 3.—(AP)—A new wave of rioting among Buddhists and Moslems caused twenty deaths and injury of scores today in Tharawaddy, a village 88 miles from here.

## Cleric Has Faith Sight Will Return

SAN FRANCISCO, Aug. 3.—(AP)—The Rev. U. E. Harding, Portland Nazarene minister, today professed "unwavering faith" a transplanted cornea would restore his failing sight.

The cornea, removed from the eye of an 80-year-old woman who died Sunday, was substituted for the opaque disc of his own eye yesterday but at least 10 days must elapse before results of the operation can be known definitely. Surgeons describe the chance of complete success as "one in a thousand."

## SIX PERFECT ANSWERS IN "GUESS WHO" TEST; 50 GUESS ONE WRONG

Lad-i-e-a and gentlemen, the winners!

Yes sir, there were six perfect solutions in The Mall Tribune's "Guess Who" contest. Out of the several hundred solutions offered, only six contestants correctly identified all 25 photographs.

Fifty contestants made only one error, 36 made two mistakes, 24 made three wrong guesses and the remainder made from four to 23 slips.

As was announced in the beginning, drawings will now be made to determine the recipients of the three cash prizes. An impartial committee will be selected to make the drawings. The drawings will be held at The Mall Tribune office Friday afternoon and the lucky names will be published Sunday.

There will be three drawings. First, a name will be drawn from the list of six who turned in perfect scores for the \$5 prize. Then from the 50 who made only one error in their guessing will be drawn the winner of the second \$5 award. Third prize of \$2 will go to the person whose name is drawn from the 36 who made two mistakes.

The six who turned in perfect guesses were:

Allen, Lee Mrs.  
Barker, George W.  
Berry, Dot  
Childs, M. M. Mrs.  
Cunningham, A. B. Mrs.  
Trowbridge, Ben J.  
The following missed only one guess:

Allen, Lee  
Barker, H. F.  
Bashley, Elsie  
Bates, Louise  
Bradford, Marybeth  
Butterfield, Camilla T.  
Childers, Gene Mrs.  
Corum, G. C. Mrs.  
Crank, Anna Mrs.  
Fowler, J. G. Mrs.  
Freed, Ruth  
Gifford, Florence  
Goodman, Bill  
Goodman, Hattie  
Hansen, Jane  
Herman, M. M. Mrs.  
Hoover, Bud  
Hopkins, Maude M.  
Hubbard, A. C. Mrs.  
Hubbard, A. C. Mrs.  
Hubbard, Chester  
Hubbard, Lois Ann  
Hubbard, Mary

## HOME ON LOZIER LANE DESTROYED BY BLAZE; SAVE SOME FURNITURE

A two-story frame home on Lozier lane was destroyed by fire this morning. With a good start, the flames made short work of consuming the dwelling. Lack of water handicapped the firemen, the house being outside the city limits.

The house was owned by David Raymond. Mr. Raymond occupied the rear of the residence while the Ira McDonald family occupied the front. There was no insurance on the place, it was reported. Most of the furniture was saved.

The fire was discovered a little before 7 a. m. by R. A. Botta, a neighbor. He notified the occupants and then telephoned the fire department.

The fire department dispatched a chemical crew and telephoned the state forest office here to send a pumper. The pumper used water from an irrigation ditch but the house was too far gone to be saved.

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## BABY CLIPPER IS MEDFORD VISITOR

A Pan-American Airways baby clipper which left Alameda, Cal., at 11:10 this morning for Seattle stopped at Medford municipal airport at 1:27 for fuel. After a half-hour's stop it continued to Seattle to survey a new Pacific coast airway for direct air service between the United States and Alaska.

The plane started its flight at Miami, Fla., and stopped en route at several places. It is a Sikorsky amphibian, seating 14.

The plane was in command of Capt. J. M. Mattis who had a crew of three assistants. The crew was to be joined in Seattle by I. Yuravich, chief government inspector of international airlines, who was a passenger on this afternoon's northbound United Mainliner.

Under Coast Road

GOLD BEACH, Aug. 3.—(AP)—The state highway department began widening the coast route today to relieve a bottle neck condition thru the city.

## SEVENTEEN CONVICTED IN REDDING SIT-DOWN

REDDING, Calif., Aug. 3.—(AP)—Seventeen persons convicted of charges filed in connection with a sit-down strike at the state relief office here April 5 were sentenced to six months in the Shasta county jail today by Justice of the Peace R. P. Stimmel.

The sentences of six others were suspended.

## SIDE GLANCES

by TRIBUNE REPORTERS

Dr. R. C. Mulholland turning several shades of scarlet upon being reminded at a street corner by Father Ernest Bartram that he had forgotten to remove a paper napkin from his belt after breakfast.

Mickey Smith telling everyone about the 19-inch fish she caught in the Williamson river, that being worth telling about.

Cappy Carl Tengwald asking a Klansman the name of the national forest in this district, and he having lived here all these years.

Major Charlie Purman whipping the council meeting through in 10 minutes, the voluble Larry Schade and Mel Hogan being among the missing.

## FARLEY TELLS CANADA U. S. OUTLOOK BETTER

CALGARY, Aug. 3.—(AP)—Businessmen of the United States are showing "more courage," James A. Farley, postmaster-general of the United States, told interviewers here today.

Accompanied by Senator Burton K. Wheeler of Montana, Mr. Farley with his two young daughters, arrived here today following a visit to Banff national park in the Rockies.

"Conditions in the United States have improved and are improving," said the postmaster-general. "We anticipate a good upswing by fall. The government's spending program will make itself felt by then. Generally there is more confidence throughout the country and there appears to be more courage among businessmen."

## No One Claims Body Girl Crash Victim

DEER LODGE, Mont., Aug. 3.—(AP)—The body of Alice Mills, 19, of Roquiam, Wash., one of four persons burned to death in a truck-auto collision near Avon, Mont., yesterday, lay unclaimed in a mortuary here today.

County officials said they were trying to locate her husband, George, whom they believed for a time to have been one of the victims.