

The Weather

Forecast: Cloudy, probably showers tonight and Wednesday not much change in temperature. Temperature Highest yesterday 33 Lowest this morning 36

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Full Associated Press



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Thirty-Third Year

MEDFORD, OREGON, TUESDAY, DECEMBER 20

No. 233.

INDICTMENT CLAIMS MEDJCS IN TRUST

The Capital Parade

By Joseph Alsop and Robert Kintner

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TREASURY HAS POWER TO FIX FOREIGN LOAN POLICY EXPECTED TO SEEK CONGRESS APPROVAL BREAK WITH ISOLATIONISM SEEN IN NEW MOVEMENT WILL STRESS DEFENSE OF AMERICAN IDEALS

WASHINGTON, Dec. 20.—(AP)—Contrary to the general impression, the treasury believes that it now possesses power enough to initiate the new policy of big governmental credits to South American nations.

The issue was confused in two directions when Secretary of the Treasury Henry Morgenthau, Jr., disclosed the new policy's existence.

While doubts of the new policy's wisdom may still exist at the State department, the treasury has long passed the "studying" stage.

As for the need of congressional authorization, it's quite true that in relation would be needed for the type of loan of which the secretary spoke.

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SEN. BARRY TO URGE TONGUE POINT BASE

WASHINGTON, Dec. 20.—(AP)—Senator Barry (R., Ore.) elected to fill the unexpired term of Senator Steiwer (D., Ore.) who resigned, reached the capital today.

He said he felt there was little he could accomplish in the short period before his term expires on January 3 but he intended to visit government officials and urge the construction of a naval base at Tongue Point on the Columbia river.

Barry will be succeeded on January 3 by Rufus C. Holman, elected for a full six-year term.

A citizen who is abroad and desires to procure a passport must apply to the nearest consular officer of the United States.

SIDE GLANCES by TRIBUNE REPORTERS

Chaplain Clifton Pond unsuccessfully trying to be indignant with fellow CCC officers insisting he tell of his recent flight across the continent, he bursting to tell all and in great detail, despite a desk-load of work.

Chester Fitch giving an illuminating discourse on gold fish, he being inspired by the monster gold fish on exhibit at the CoCo.

Janita Yerton doing a beautiful job of decorating the CoCo silver-tipped Shasta fir Christmas tree, a gift from the U. S. forest service.

San Houston pacing up and down the back room of the postoffice to keep Yule mail moving at a fast clip.

Capt. Reggie Vincent asking the public to keep the Salvation Army kettle boiling.

U. S. GRAND JURY SEES VIOLATION OF SHERMAN ACT

American Medical Association and Others Cited As Hampering Group Health Physicians in Service

CHICAGO, Dec. 20.—(AP)—Dr. Morris Fishbein, spokesman for the American Medical Association, when informed of the federal indictments returned in Washington today for violation of the Sherman anti-trust act, said:

"The house of delegates has authorized the board of directors of the American Medical Association to defend the case to the limit."

WASHINGTON, Dec. 20.—(AP)—The American Medical Association, three local medical societies and 21 individual physicians were indicted today by a federal grand jury for violation of the Sherman anti-trust act.

The societies named were the Medical Society of the District of Columbia, the Harris county (Tex.) Medical Society, and the Washington (D. C.) Academy of Surgery.

Among the 21 physicians indicted were Dr. Olin West, secretary of the American Medical Association; Dr. Morris Fishbein, editor of the American Medical Association's Journal; Dr. Arthur C. Christie, prominent Washington radiologist; and Dr. Prentiss Wilson, who recently cooperated in filing a suit against the Washington Group Health Association, charging group health physicians had injured his practice in furnishing medical service through the association.

Blacklist Used. Others indicted are officials of the American Medical Association, or its affiliated societies. The department of justice instituted proceedings against the American Medical Association last October, charging it was acting in restraint of trade, in violation of the anti-trust act.

Specifically it charged the association, some local societies and individual physicians were preventing other physicians and cooperative medical organizations from supplying medical service by refusing membership in medical societies to individual physicians who joined such groups.

Particularly involved were the affairs of Group Health Association, Inc. This cooperative agency was established more than a year ago, offering medical care and hospitalization to some 2,600 government employees for \$2.20 each per month. It put its staff of doctors on a salary basis.

The District Society, an affiliate of the A.M.A., promptly attacked the plan as leading toward the compulsory exclusion of its doctors from hospitals and thus restraining their efforts to earn a living.

Group Health contended its purposes were beneficial to the public and the profession, particularly that it might reduce illness by insuring ready access to "preventive" medicine.

In summing up the reasons for the indictments the grand jury declared the American Medical Association and the individual physicians

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'There Goes Mama' MILWAUKEE, Wis.—(AP)—A woman got her divorce decree after she testified that her husband used to blow up balloons and tell their two-year-old son, "there goes mama."

Paresis Will Keep Capone In Pen When Time Expires

CHICAGO, Dec. 20.—(UP)—Al (Scarface) Capone is violently and dangerously insane one week out of every four and cannot be released from custody of a federal institution for at least a year or until some progress in a cure is indicated, U. S. District Attorney William J. Campbell said last night.

The former overlord of Chicago gangster is a victim of paresis which gradually is destroying his brain. Campbell returned recently from Washington where he conferred with James V. Bennett, director of Federal prisons. He said a conference probably would be held in Los Angeles, in which members of the Capone family might participate, within the next month to determine the prisoner's disposition.

The government prefers to keep Capone at Alcatraz because the most modern methods of treating paresis are available there, Campbell said. Federal prisons at Los Angeles and Springfield, Mo., also are being considered.

Santa Claus Hires Extra Helpers For Yule Mail Torrent

SANTA CLAUS, Ind., Dec. 20.—(UP)—Santa Claus had to hire extra helpers today.

Mail sent by persons wishing the Santa Claus cancellation on their Christmas greetings reached a season's peak of an estimated 30,000 pieces today and Postmaster Oscar Phillips and his daughter, Odessa, had to have help.

Nearly a dozen persons, instead of the two required at other times of the year are necessary to handle the mail which annually floods this 25 by 15 foot postoffice at Christmas time.

TWO TRUCK LOADS OF REBUILT TOYS READY FOR KIDS

Toyland was moving from fire headquarters this morning to a vacant part of the Pantorium at 38 North Holy street.

Two large vans were needed to transfer the shiny new toys that had been made by city firemen from well and discarded playthings. There were 2,436 separate playthings. These included 250 old dolls that had been mended and newly dressed and 165 new dolls bought by the Lady Lions club and 26 dolls made especially for Toyland by Mrs. Tom Runnoll, of Jacksonvile.

The Lady Lions club works jointly each year with the firemen on the project of converting old playthings into new Christmas gifts for poor children.

The toys and dolls will be presented to the children of about 200 families. It was stated by Mrs. Earl M. Miller, chairman of the Lady Lions. Cards have been distributed to the families and presentations will be made by ticket only. Mrs. Miller emphasized.

The playthings will be distributed by Lady Lions at the toy depot from 10 a. m. to 5 p. m. Thursday and Friday. The distribution must be completed on those two days and parents receiving cards are asked to bring the playthings between the specified hours Thursday or Friday.

The toys will be on display tomorrow so that the public may see them through the Pantorium show window.

110 AT ROTARIANS CHRISTMAS PARTY

Members of the Medford Rotary club and their wives, 110 in number, filled the basement banquet hall of the Hotel Medford at noon today for the annual Rotary Christmas party. The room was attractively decorated in Yuletide greens with tables lighted by candles.

Rev. Ernest S. Bartlam, speaker for the holiday meeting, brought to Rotarians and their ladies an impressive Christmas message which was enthusiastically received. Carl Janouch, program chairman for the club, arranged the details of the gathering and President Mark Goldy presided.

A splendid musical program featured a trio comprising Mrs. Margaret Huson, soprano; Mrs. Jean McAllister, alto; and Mrs. Katherine Wendt, soprano. In appropriate Christmas numbers, Mrs. Wendt was piano accompanist for some of the selections. Mrs. Huson also led the Rotarians and their wives in a group singing of "Hark the Herald Angels Sing" and "Jingle Bells."

PORTLAND, Dec. 20.—(AP)—This particular sneak thief was not only a man but he also was audacious. He took a fireman's milk fund bottle containing \$7 or \$8 in pennies from the counter in the criminal department of the sheriff's office.

Capone was sentenced to 10 years in the federal prison and to one year in the Cook county jail on two charges of income tax evasion by Federal Judge James H. Wilkerson in 1931. With time off for good behavior he would be eligible for release from Alcatraz January 19, 1939. It had been believed he would be returned to Chicago to serve out the final year.

Capone, besides his prison sentence, still has to pay fines totaling approximately \$50,000 assessed in connection with his income tax evasion. He can avoid payment of the fines by declaring himself a pauper and serving 30 days additional in jail.

NAZI CONCESSION ON INHERITANCES LESSENS FRICTION

Germany Agrees to Permit Full Transfer to Beneficiaries in United States Is Word to Government

WASHINGTON, Dec. 20.—(AP)—Germany today notified the United States that it had agreed to permit full transfer to beneficiaries in United States of the estates of persons deceased in Germany hereafter to be transferred to the beneficiaries in full.

The announcement brought to the state department this morning by Dr. Hans Thomsen, German chargé d'affaires, clarified one of the lesser points of friction between the two governments.

Americans heretofore, have not been able to collect their full inheritances on German estates because of exchange restrictions forbidding money to leave Germany.

The matter was discussed by Sumner Welles, acting secretary of state, with Ambassador Hans H. Dieckhoff shortly before the latter's recent departure for Germany.

Welles said it was unfair for Germany to impose such restrictions which were not applied by this country on the transfer of estates to German heirs.

No figures were available here as to how much money is involved but it was understood to be only about half as much as the value of American estates transferred to Germany through inheritance which has averaged about \$5,000,000 a year.

The German embassy here had been concerned over a possibility some restrictions be placed on the transfer of money inheritances to Germany after a court decision in Philadelphia last week against permitting German heirs to receive money bequeathed them in that city.

Before his conversation with Welles, Thomsen said he was not prepared to discuss Austrian debts or treatment of non-discriminatory treatment towards Americans in Germany.

Thomsen's call was the first at the state department by any of the German embassy staff since Dieckhoff made official farewell.

It was believed his visit did not indicate Germany has replied to either of two recent American notes seeking satisfaction of Austrian debts and assurances Americans in the Reich will not be discriminated against because of race or creed.

The second note carried a broad hint of retaliation should American Jews in Germany find their rights abrogated.

LONDON, Dec. 20.—(AP)—Winter rolled up a heavy toll of lives in many European countries today. A ferry boat creeping through the icy Tugus river at Lisbon struck a dredge and sank, with 26 of the 70 ferry passengers believed drowned.

More than 20 deaths were attributed to the cold, 23 degrees above zero in England. A violent northern wind foiled relief for three keepers at Fastnet Rock lighthouse, off the coast of County Cork, Ireland.

Paris and suburbs counted nine dead. Hundreds of barges were caught in frozen northern French canals. Railroad signals froze in Scandinavia, delaying continental expresses. Norway had the lowest temperature yesterday, 25 below zero; Sweden was second with 20 below.

In Hungary the cold snapped a rail and derailed a train, injuring six passengers. Several ships in the Black sea radioed distress signals, and at least three sailors were believed lost.

Weather forecasts were continued cold. In Belgium 15 deaths were attributed to the intense cold. The mercury fell to five degrees above zero Fahrenheit, lowest in 50 years. Rivers in the southern provinces were frozen, outdoors industries paralyzed and railway and channel boat traffic greatly reduced.

SLUGGED



Mayor LaGuardia

NEW YORK, Dec. 20.—(AP)—Mayor F. H. LaGuardia was punched and knocked down today, as he was entering city hall, by a man identified by police as James Hagan, 48, a former WPA superintendent in the Pelham Bay shops of the city park department.

Hagan, beaten and subdued by spectators, was taken first into an office in the city hall and later to a police station, where he was charged with simple assault.

Investigators obtained no coherent story, but believed, they said, Hagan held a grudge because of his layoff from the park job.

Hagan, beaten and unharmed, save for a red welt under the right eye where Hagan's first landed.

HEAVY DRINKER FREED FROM JUNEAU JAIL TO AID WRECK SURVIVORS

JUNEAU, Alaska, Dec. 20.—(AP)—A trapper-guide released from a city jail drunkenness charge because he knew the perilous Cape Fairweather country led 16 shipwreck survivors toward Lituya bay and ultimate rescue today.

The Guide, Nels Ludvigson had served six days of a 10-day sentence here when he was released so he could accompany Pilot Sheldon Simmons to the scene of the shipwrecked motorship Patterson.

The coast guard cutter Haida wireless that she read, with difficulty, flashlight code signals stating Ludvigson and several of the weaker of the marooned mariners were heading toward a pre-arranged spot on the beach, four miles toward Lituya bay, and the stronger members planned to overtake them tonight and proceed 12 miles toward Lituya bay.

The Haida notified the party it would be following along, outside the line of breakers and instructed the party to build campfires along the beach so the Haida could trace its progress.

MRS. BERRY ASKS INVESTIGATION

OLYMPIA, Wash., Dec. 20.—(UP)—Pretty Mrs. Elizabeth Berry, 27, night of the principals involved in the torture kidnapping of Irving E. Baker, 37, demanded today that Gov. Clarence D. Martin order a legislative investigation into the sensational case.

Mrs. Berry, whose husband, prominent Dr. Kent W. Berry, 54, faces life imprisonment for the crime, made the demand in a letter mailed to the executive this morning. She also asked an investigation be undertaken into reports Dr. Berry allegedly handled narcotics illegally.

It was Mrs. Berry's charge she was raped by Baker that caused her husband to obtain the aid of three men and abduct and mutilate the former U. S. coast guard officer, Dr. Berry's confederates, James Reddick, 28, Robert Smith, 33, and William Macaloon, 30, were convicted with him recently and also face life imprisonment.

Neighbors said they had seen nothing of Meyers since Friday but that a light had been burning steadily in his cabin since that time.

Hamm believed Meyers was a suicide, although nothing was found to indicate a motive for his act.

Radio Highlights

By Associated Press (Time is Eastern Standard) NEW YORK, Dec. 20.—Mrs. Eleanor Roosevelt, as a radio guest tonight, will tell how the White House is preparing for Christmas. She will appear on Gabriel Heatter's program on WABC-CBS at 9 o'clock, presented as "we the people."

Tonight: WABC-CBS—10:45 talk, Wm. McChesney Martin, Jr., president New York stock exchange.

What to expect Wednesday: WRAP-NBC—11:15 p. m., Christmas play, "The Woolly Lamb," 6 Our American School; 6:30 Boston Singing Society, carols. WABC-CBS—3 music hour, 8:30, "The Visit of St. Nick," 3 oratorio "Te Deum" from Berlin; 4:30 Christmas Carol.

GOERING INVITES AID ON PLAN FOR JEW EMIGRATION

American Director of International Refugee Office Invited to Visit Berlin—Counter Plan Is Seen

By the Associated Press. The involved question of getting Jews out of Germany moved a step forward today with Field Marshal Hermann Wilhelm Goering's invitation to George Rublee, American director of the international refugee office, to visit Berlin.

Informed quarters said Rublee would present counter-proposals to a Nazi plan, reported to embrace a two-year scheme for the emigration of Germany's Jews.

Pan-American conference delegates pondered mutual defense against aggression today while in Spain and China was pushed warmly on despite wintry weather.

A resolution proposed at Lima expressing the determination of American nations to defend one another against aggression was submitted to the various delegations with the likelihood it would be acted upon before the week-end.

Drafted by Brazil's chief delegate, the proposal represented a compromise between the United States' desire for a declaration for a united front against any non-American aggressor and Argentine insistence that the declaration include all aggressors.

Adjournment of the conference by Monday or Tuesday was in prospect. In London Prime Minister Chamberlain, meanwhile, studied complaints of alleged incompetence in British defense ministries. Three aggressive young members of the government were said to be demanding a cabinet shake-up. War Minister Leslie Hore-Belisha and Sir Thomas Inskip, minister for defense coordination, were among those under fire.

White Russian Bill. In Paris Gen. Alexis Denikine, white Russian leader, who headed the last military struggle against the bolshevik regime, made a surprising denunciation of White Russians who aid Adolf Hitler in opposition to the Soviet Union.

He denounced by name some white Russian officers for taking money from Nazi agents to further Hitler's dream expansion in the soviet Ukraine and said Japanese too had been successful in getting white Russian cooperation against the Russian "fatherland."

Bitter weather kept a planned offensive from developing beyond heavy artillery fire, in the Spanish civil war. In China Japanese army officers outlined a five-year plan for pacifying north China and cleaning up guerrilla resistance.

ORLANDO R. CANINE PASSES SUDDENLY

Orlando Roy Canine, 58, a resident of Medford for the past 14 years, died of a sudden heart attack last night at 10:20 in his home at 822 West Tenth street. Funeral services, in charge of the Perl funeral home, will be announced tomorrow.

Mr. Canine was born January 14, 1880, in Waterland, Ind. With his parents, he came to Oregon City in 1892 and later moved to Bureka, Cal. There he was married to Elsie E. Rogien on May 18, 1909, and from the union were born two daughters and one son. He came to Medford with his family 14 years ago, and since had been employed as a saw-filer by the Medford Corporation.

He is survived by his wife, Elsie; two daughters, Mrs. Alice Crow and Mrs. John Wood, both of Medford; one son, Clarence Canine of Klamath Falls; three sisters, Mrs. Sebastian Appio of Medford, Mrs. Henry Voss of Ashland and Mrs. Cy Miller of Berkeley, Cal., and two granddaughters, Betty and Patricia Crow.

ROUTINE BUSINESS ON CITY COUNCIL'S TABLE

Only routine business is on the formal agenda to come before the city council at its regular semi-monthly meeting tonight. The meeting will be convened as usual at 7:30 in council chambers of the top floor of city hall.

COPENHAVER FUNERAL WEDNESDAY AT 2 P. M.

Funeral services will be held in the Perl chapel at 2 p. m. Wednesday for Luther Copenhaver, World War veteran who died in Seattle, Wash., December 14. Medford post of the American Legion will conduct the rites.

Electric Lights or None For Roosevelt Yule Tree

WASHINGTON, Dec. 20.—(UP)—The secret service, which often has invited presidents while guarding their lives, won its second successive skirmish with Mr. Roosevelt today when it ruled that the White House Christmas tree must be illuminated with electric lights, or not at all.

The service rebelled last year against the Roosevelt family tradition of using wax candles to light their Christmas trees, and it has issued a similar edict for the coming holiday.

Except for this bit of interference, the precedent-breaking first family will become the tradition-keeping

Little Girl Dies Under Bus Wheels On Shopping Trip

LOS ANGELES, Dec. 20.—(AP)—A bus ran over 10-year old Marie Carillo as she hurried to a neighborhood store, clutching a few carefully saved pennies with which to buy her mother's Christmas gift.

At a hospital, Mrs. Dolores Carillo identified her daughter's body. "I didn't want a present, honey," she cried, "I only wanted you."

CHRISTMAS MAIL VOLUME LARGER THAN YEAR AGO

Incoming and outgoing Christmas mail volume is heavier than it was at the same time a year ago, Postmaster Frank DeSouza said today.

To accommodate the public the postoffice will remain open until 6 p. m. again Saturday instead of closing at the usual Saturday hour of 12 noon, Mr. DeSouza stated. There will also be one complete city mail delivery Saturday. The same extra service was provided last Saturday.

Carriers will work late into the night Saturday in an effort to deliver all Christmas parcel mail on hand, Mr. DeSouza stated. It will greatly facilitate delivery of packages if families will remain at home Saturday night and leave their porch lights on so that house numbers may be seen plainly, he emphasized. A personal delivery of insured, registered or special delivery mail must be made, he pointed out.

Delivery of Christmas parcels arriving by train Sunday morning will be made the same day, the postmaster said.

Twelve extra employees and two large and three small extra trucks were in service today as incoming mail neared the holiday peak. The staff was efficiently organized by C. M. Houston, superintendent, and, under his direct supervision, the mail was being sorted and routed as quickly as it arrived.

Four more employees and another large truck will be added to the service tomorrow, Mr. DeSouza said.

Mr. Houston and assistants will be at the postoffice early Monday morning to make a final cleanup of any Christmas mail arriving late.

BOYS WILL FACE HEARING FRIDAY

The group of youths, ranging in age from 14 to 19 years, alleged to have engaged in a series of petty thefts and misdemeanors the past three months, is scheduled to appear in juvenile court next Friday.

According to Deputy District Attorney George W. Neilson, all have admitted charges, and are at liberty.

The officials state the case is one of the most involved and puzzling that has come to his attention in some time. There was no leader, as far as can be determined, and the youths were apparently actuated by a "something for nothing" fever.

Most of those involved have never been in trouble before, and bear good reputations in school and other activities.

Among the offenses admitted, the authorities say, is the puncturing of tires on 15 autos last Halloween with an ice pick, robbing of parked cars and stealing goods from local stores.

BURCH NAMED ON SANITARY BOARD

SALEM, Ore., Dec. 20.—(UP)—Gov. Charles H. Martin today appointed three men to the state sanitary authority, created by vote at the November 8 election. The appointees are:

Albert Burch, Medford, Ore., first congressional district; Elaine Hallock, Baker, Ore., second congressional district; Dr. Richard B. Dillehunt, Portland, third congressional district. The appointments are for terms of four, three and two years.

The state health officer, state engineer and the chairman of the health commission are also members of the authority. A sanitary engineer will be employed, and will act as secretary to the authority.

HOPE TO SALVAGE MUCH CASH FROM MUSICA SWINDLES

Four Brothers Collected Millions in Commissions On Fictitious Sales of Crude Drugs, Is Revelation

NEW YORK, Dec. 20.—(AP)—Federal authorities, delving into the fantastic story that Philip Musica, as F. Donald Coster, respected president of McKesson and Robbins, Inc., tried to sell 2,000,000 rifles and 100,000,000 rounds of ammunition to a now unidentified nation, turned today to a report they might have been destined for the Chinese general, Chiang Kai-Shek.

NEW YORK, Dec. 20.—(AP)—Federal investigators said today they were hopeful of salvaging "considerable cash" of the \$10,000,000 to \$20,000,000 which the late Philip Musica is suspected of swindling from the McKesson & Robbins Drug Corporation.

The announcement followed a statement by Dist. Atty. Thomas E. Dewey that he already had uncovered evidence the four Musica brothers had collected actual cash commissions of \$3,903,103 through fictitious sales of crude drugs.

Dewey said an investigation, not yet completed, indicated the thefts might go as high as \$16,250,375. Acting U. S. Atty. Gregory Noonan said several days ago the losses might reach \$20,000,000.

Books Complicated. An extremely complicated book-keeping system used by Musica, alias "F. Donald Coster," who killed himself last Friday, has delayed officials in reaching immediately an accurate estimate of the funds involved.

Dewey, who obtained grand jury indictments charging the three surviving brothers with grand larceny and forgery, said they "milked" the corporation's crude drugs department through fictitious sales to at least five dummy companies.

The brothers, Dewey said, paid out huge sums in commissions to the dummy companies for "sales" of crude drugs which Coster listed as stored in corporation warehouses. The district attorney said the money went to the Musica and the sales, the drugs, and the warehouses all were non-existent.

The decision was not detected, investigators said, because "Coster," president of the firm, told other company officials he was using profits from the crude drugs department to expand it. He had forged bills of

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