

The Weather
Forecast: Cloudy tonight and Friday with showers; cooler tonight.
Temperature: _____
Highest yesterday: 55
Lowest this morning: 30
Precipitation last 24 hrs.: .50

MEDFORD MAIL TRIBUNE

Full Associated Press

MEDFORD, OREGON, THURSDAY, OCTOBER 5, 1939.

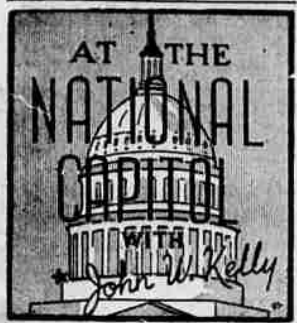
All United Press

"Too Late" Sign
When you see something you want advertised, contact the advertiser at once. Remember, thousands of eyes are on the classified every evening. Delay and you will likely see the "Too Late" sign.

Thirty-fourth Year

No. 168.

U. S. SHIP TO BE SUNK NEAR COAST IS WARNING RECEIVED FROM NAZIS



ALLIES PLANNING ACTION TO AROUSE AMERICA IS HINT

Liner Iroquois to Be Sent Down in 'Circumstances Similar to Athenia' Is Report to White House

WASHINGTON, D. C., Oct. 5.—(AP)—The White House announced in a statement today that the head of the German navy had informed the United States that the American steamship Iroquois, carrying Americans back from Europe, would be sunk when it nears the American east coast.

Government economists and experienced, hard-headed business leaders are worried, fearing a war boom, knowing that a war boom is invariably followed by a period of depression. These cautious individuals pray for a steady, consistent improvement, with increased employment, increased purchasing power and increased prices.

ONE big steel magnate has joined the administration forces demanding repeal of the embargo and at the same time he is spending \$3,000,000 to expand his plant, anticipating a war boom. He is following the practice of the first world war; expansion, followed by collapse. There is quite a bit of that sort of making plants ready.

Two strong reasons for the journey toward business recovery here (A) the national defense program and (B) expected orders from the belligerents.

Inventories in consumer goods and heavy industry have not been kept up. Dealers just carried enough to get by. Came the war clouds and remembering restrictions, shortages and high prices during the world war, retailers, jobbers, wholesalers have rushed to place orders to replenish their stocks; consequently manufacturers are experiencing a flood of orders, are hiring workers and expecting a harvest.

The situation is illustrated by the lumber industry of the Pacific Northwest. Orders are coming in and prices changing so rapidly that the business is in a state of confusion. Orders are exceeding production and shipments are exceeding production.

DESIRES to get rich quick may upset the apple cart. Recovery was staging a comeback in 1937 when unwarranted, sudden increases in prices caused a setback from which business is only now having a favorable reaction. To prevent runaway prices, major industries are announcing there will be no change for the balance of this year.

Schwellenbach Defends Arms Embargo Repeal

Radio Highlights

By Associated Press
(Pacific Standard time)
NEW YORK, Oct. 5.—All net works have announced that they will be on the air around 3 a. m. Friday to relay Adolf Hitler's speech before the reichstag. As usual there will be both English interpolations and summaries.

Tonight: America's Town Meeting resumes, WJZ-NBC, 8:30. Sec. Harold L. Ickes and Gen. Hugh S. Johnson on "How Can We Defend Democracy in America Now?" Neutrality debate, WABC-CBS, 7. Col. Henry L. Stimson.

European schedule: WEAF-NBC, 8:15 p. m.; WABC-CBS, 5:55, 8:00; MBS, 6:00.

What to expect Friday: European schedule, WEAF-WJZ-NBC, 5 a. m.; WEAF-NBC, 9:45 a. m.; WABC-CBS, 5 a. m., 3:30 p. m.; WJZ-NBC, 3:25 p. m.; WABC-CBS, 2:15, A. F. of L. convention.

Propaganda Move Claimed.
The President received it last night. The statement issued at the White House said that Raeder had informed the attaché "that according to information on which he relied, an American ship, the Iroquois, is to be sunk when it nears our American east coast."

"The sinking of the Iroquois, Admiral Raeder said, would be accomplished through a repetition of circumstances which marked the loss of the steamship Athenia."

The Athenia was sunk on the day England entered the war against Germany.

"As purely precautionary measure," the White House statement asserted, "a coast guard vessel and several navy ships from the patrol will meet the Iroquois at sea and will accompany her to an American port."

Early emphasized that these armed ships would not be an escort in the true sense of the word, since the Iroquois still would be under command of her captain, and would not take orders from the government vessels.

MEDFORD BUDGET TENTATIVELY SET AT \$235,370.27

1940 Expense Estimate Compares With \$230,608.75 for Current Year; To Hold Public Hearing

The total tentative budget for the city of Medford for 1940 is \$235,370.27 as compared with \$230,608.75 for the current year. It was shown by figures released today by M. L. Alford, recorder.

The total sum to be raised by tax levy under the 1940 budget is \$184,953.27 as compared with \$189,027.98 for this year, the figures showed. This represents a decrease for 1940 of \$4,074.69. The decrease, Mr. Alford said, represents a reduction of slightly less than half a mill in the tax levy. Last year the levy was 19.5 mills.

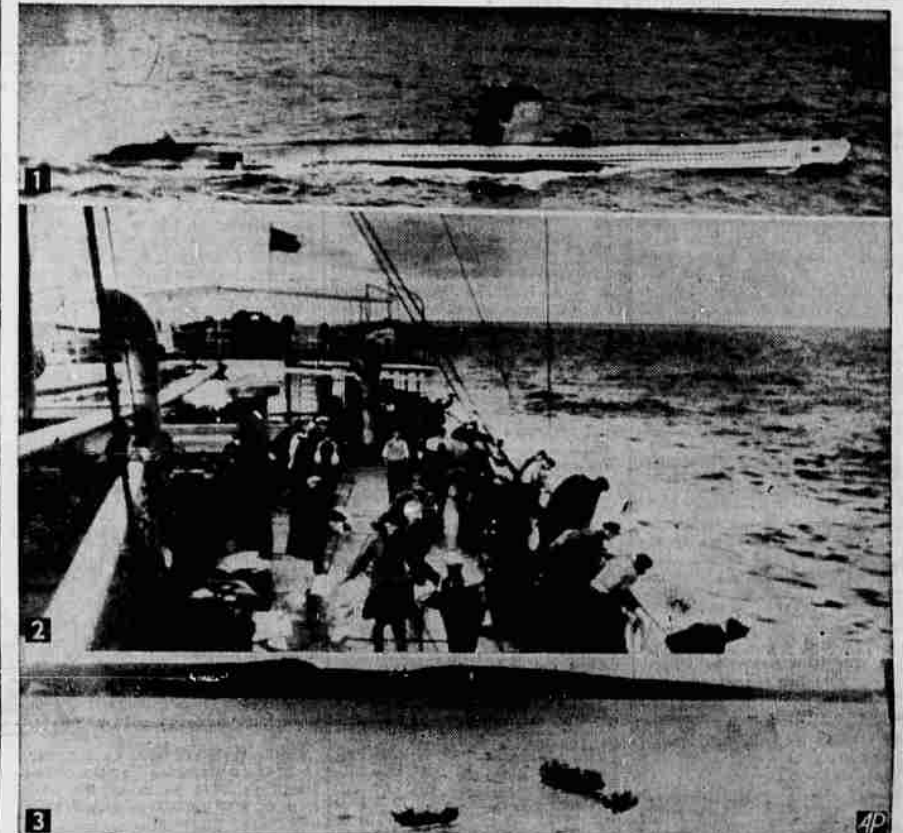
\$138,893 General Fund
The total 1940 general fund budget is \$138,892.97, the sum required actually to run the city's business. Estimated receipts and cash on hand amount to \$80,417 for 1940. With this sum deducted, the amount to be raised under the 1940 budget by tax levy for the general fund totals \$58,475.97. The general fund budget for 1939 totaled \$133,283.65, being \$5,009.32 less than the tentative 1940 figure.

The bond budget for 1940 totals \$87,547.50 as compared with \$89,802.64 for this year, a 1940 reduction of \$2,255.14.

Library Fund Up
The library fund levy for 1940 is \$8,929.80 as against \$7,422.46 for 1939.

The entire tentative budget is to be published shortly and a public hearing thereon called. The tentative budget, approved by the budget committee Tuesday night, is subject to final approval by the city council after the public hearing.

Sub Sinks Tankers, Directs Rescue Ship



This series of pictures tell the story of how a German submarine torpedoed two British tankers, September 13, and then directed the Norwegian freighter Ida Bakke, bound for California, in a rescue of the crews. Tankers sunk were the Influence and the Cheyenne, both off Cape Clear, Ireland. Picture (1), shows the German submarine guiding the Ida Bakke with 42 members of the Influence's crew. The Influence had been sunk four hours earlier. Picture (2), shows sailors on deck of Ida Bakke leaning over rail as Influence crew is hauled aboard, some of them already on deck. Picture (3), shows members of the crew of the torpedoed tanker Cheyenne going ashore at Kinsale, England, after having been picked up by the Ida Bakke, following directions from the submarine. The submarine stood by seven hours until all the men had been rescued, submerging finally to the accompaniment of three British cheers from the two crews on the Ida Bakke's deck. Message sent by submarine to master of Ida Bakke in Morse code, by blinker light, said: "Please follow me. I have just sunk a ship and I want you to pick up the lifeboats."

CASH AND CARRY FAIR TO ALL IS SENATOR'S VIEW

Washington Democrat Talks After Vigorous Opposition by Nye and Overton—Modification Is Hinted

WASHINGTON, Oct. 5.—(AP)—Senator Schwellenbach (D., Wash.), contended today the administration's neutrality bill offered "the most complete and orderly retreat from war that any nation ever executed."

Schwellenbach spoke after Senators Nye (R., N. D.) and Overton (D., Ia.) had vigorously opposed repeal of the arms embargo, as proposed in the administration legislation.

Nye demanded the administration seek enactment of "cash and carry" legislation without repeal of the embargo. Overton contended repeal would amount to "armed intervention" in the European war.

Schwellenbach said had congress deliberately sought involvement in Europe's war it "could not have done a better job than through our present legislation."

"It has taken only a short month of the present European hostilities," he said, "to completely demonstrate the arms embargo contains definitely possible dangers of our involvement."

The administration's bill would repeal the embargo on arms shipments, put all trade with belligerents on a virtual "cash and carry" basis, and impose various restrictions on American citizens designed to keep them away from danger points.

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"Would Keep Us Out of War"
"It is true that both sides precisely alike," Schwellenbach said of the proposal, "it is as truly neutral as any law that could be devised. Since it simply restrains our own citizens, neither side has a right to object to it."

Proponents of the administration legislation, he charged, "are taking the position that repeal of the embargo must be effected before other provisions of the pending neutrality bill, which would restrict the nation's foreign trade, could be enacted."

"There is no good reason," he told (Continued on Page Seven.)

Blaze Destroys Lebanon Sawmill

LEBANON, Oct. 5.—(AP)—The Grove Lumber company sawmill burned here today with a loss estimated by Nylund and Wallin, operators, at \$27,000.

The plant, moved from Forest Grove recently, was destroyed by fire the operators said started in a sawdust bin of the boiler room. The planing mill storehouse and lumber yard were saved.

British and German Navies Stage Battle of Techniques

By John W. Culmer
LONDON, Oct. 5.—(AP)—The British and German navies are locked in a battle of techniques.

Tied up with it is the British hope of ultimate and possibly early defeat of the German submarine campaign against allied merchant shipping.

Although admiralty officials will not talk, students of wartime technique give an idea of the nature of the problem and the measures the navy is taking to meet it.

Torpedoes have been improved since the World War, but so have depth charges—main offensive weapon against submarines.

WHITE SLAVE CASE IN JURY'S HANDS; NEGRO'S TRIAL ON

The case of Lucille Falls, charged jointly with her husband, Iral D. Falls, with violation of the Mann act, was being considered by the jury in U. S. district court this afternoon.

The case went to the jury at 9:45 this morning after Judge Claude McCulloch gave his instructions. Presentation of evidence and closing arguments by counsel were completed yesterday.

The defendant was charged jointly with Falls on two counts in an indictment. The first count charged that Falls and his wife transported Goldie Beavers, 17, from Chico, Cal., to Klamath Falls and the second count alleged that the couple transported the same girl from Klamath Falls to Dorris, Cal. for immoral purposes.

Falls had pleaded guilty to both indictments and in testimony in the case against his wife attempted to

HITLER DECLARES POLISH CAMPAIGN IS NOW COMPLETE

BERLIN, Oct. 5.—(AP)—Reichsfuehrer Hitler today pronounced his Polish campaign complete after he reviewed the troops who conquered Warsaw and told his soldiers "I know you are ready for anything."

He also lauded the Nazi forces for rising "to defend our country from Polish attack" in the order of the day to the army issued just after the triumphal review for which he flew from Berlin.

BERLIN, Oct. 5.—(AP)—Germans pinning peace hopes today on the possibility Adolf Hitler's rousing speech tomorrow would outline a basis on which hostilities might be ended.

The Fuehrer was scheduled to speak at noon (3 a. m. PST) to the members of his completely submissive legislature, possibly to pronounce some new German attitude toward the western powers at war with Germany.

Two More Neutral Vessels Added to Submarines' Toll

(By The Associated Press)
Sinking of two more neutral vessels has brought to 62 the number of ships reported sunk since the beginning of the European war.

The gross tonnage destroyed, exclusive of cargo, amounted to 256,296. The Hoegh transporter, 4,914-ton Norwegian vessel, was reported to have sunk Tuesday after hitting a mine at the entrance to Singapore harbor. All aboard were rescued by a British patrol boat. Nine crew members were injured.

The Greek steamer Diamantis, 4,900 tons, was reported to have been sunk Tuesday by a German submarine off the coast of Ireland. The crew of 28 was landed by the submarine at Dingle, County Kerry, Ireland.

The losses to date, by nationalities: Great Britain, 52; Germany, 9; Norway, 5; Sweden, 4; Finland, 3; Greece, 2; France, 2; Holland, 2; Denmark, 1; Russia, 1; and Belgium, 1.

In addition to the two neutral ships, an unidentified German vessel was reported to have struck a mine near the island of Borkum in the North sea, but this was not confirmed. A Stockholm newspaper said yesterday it understood the ship was loaded with iron from Sweden.

"Civil guards patrolling the coast saw the submarine on the surface and rushed to the spot," said the press association's account, "but they were too late to detain the German U-boat. While they were still some distance away the submarine moved away from the coast and started to submerge."

SIDE GLANCES

Helen Holt Wilson averring she was capable of doing only about six things at once and therefore could not be bothered about accomplishing all of the feats a friend suggested.

Audrey Davis impressing a friend with her explanation of how to make a cute hat with a bit of fur, a bit of cloth and a bit of spind.

Circuit Court to Open October 23

October term of the circuit court will start Monday, October 23. A new petit jury will be drawn and a new grand jury, if the court so decides.

Due to the fact that a majority of the defendants in criminal cases have waived grand jury hearings, and entered pleas of guilty on district attorney informations, the criminal docket will be light.

The civil suit docket is fairly heavy, with a number of suits due for setting.

GERMAN SUB LANDS GREEK SHIP'S CREW ON IRELAND'S SHORE

LONDON, Oct. 5.—(AP)—The British Press association said today a German submarine which landed 28 men from the torpedoed Greek steamer Diamantis on the Irish coast acted too quickly for guards of neutral Ireland to attempt internment of the U-boat.

The ship's crew was set ashore last evening near Dingle, County Kerry, some 15 miles from the spot where Sir Roger Casement, Irish nationalist, was landed by a German submarine in a world war anti-British plot.

First reports from Dublin said the submarine exchanged greetings with persons ashore while the Diamantis survivors were ferried to land in a collapsible boat. The Diamantis, 4,900 tons, was sunk off Land's End on Tuesday.

"When the guards actually reached the scene of the landing the only evidence of the daring maneuver of the German U-boat commander was a stretch of frothy sea where the submarine had disappeared, and a group of bewildered seamen were on the shore."

GERMANY CLAIMS 72 PLANES DOWNED

BERLIN, Oct. 5.—(AP)—DNEB, official German news agency, said in a communique today that during September German fighting planes and anti-aircraft batteries shot down 45 French and 27 British planes on the western front.

DNEB said that German pursuit planes accounted for 23 enemy planes on September 30, which was marked by air fighting throughout the day. German losses that day were said to have been five planes.

The agency said that of one group of 37 French-British planes which flew over the west wall eight were destroyed and the rest forced to turn back.

NEW YORK, Oct. 5.—(AP)—A U. S. army court martial which tried Grover Cleveland Bergdoll, the world war draft dodger, on charges of desertion and escape from military custody late today sentenced him to three years imprisonment.

Bergdoll already is serving a five-year sentence for draft evasion; thus his total penalty for refusing to serve the country's armed forces in war-time will be eight years.

The court composed of 15 high ranking army officers, deliberated for more than two hours before arriving at the verdict. Specifically, they convicted Bergdoll of escape and desertion—a desertion which followed his original conviction of draft dodging—but held that he had not conspired, as the prosecution claimed, with the family chauffeur in his escape.

The former Philadelphia playboy, middle-aged and pudgy now, accepted the verdict stolidly; his wife, Beria, 32, just as stolidly.

PORTLAND, Oct. 5.—(AP)—Major C. R. Moore of the Florence hearing on Stiuslaw river improvements had been postponed from October 10 to Oct. 26.