

HEARST NAMED TAX EVADER BY INVESTIGATOR

(Continued from Page One)

A large portion of the stock of the American League baseball club of New York and in 1935 and 1936, he testified, saved Ruppert \$102,470 in taxes.

Discussing what he termed the "hierarchy of corporate structure" between Hearst-owned organizations, Rogge said the principal stockholder of American Newspapers, Inc., was Mr. Hearst.

For the years 1934 and 1935, the witness said, Hearst received 85 per cent of dividends paid by the company, formerly the Star Holding corporation.

In a statement filed with the securities commission last March by Hearst Magazines Inc., and Hearst Publications, Inc., Rogge said: "It is stated that Mr. Hearst holds individually 95.71 per cent of the voting power of American Newspapers, Inc., and the remaining 4.29 per cent as trustee."

Rogge said that if three of the Hearst corporations—American Newspapers, Hearst Corporation and Hearst Magazines—were ignored and 85 per cent of their income treated as income of the publisher, additional taxes would be due from the latter for 1934 and 1935 totalling \$5,111,708.

American Newspapers, Inc., the witness continued, "claimed that it sustained liquidating losses in the foregoing transactions in the amount of \$20,799,495."

ALIENISTS SAY FRENCH SANE AT SHOOTING

(Continued from Page One)

court alienists and that he was forced to make his judgment on the basis of observing the defendant's courtroom demeanor.

Dr. Pate concurs, another psychiatrist, made the same observations and reached the same conclusion, he testified.

Pate pointed out that while there was insanity among relatives of French, they were not directly related to him. He asserted that French's physical condition, emphasized as weak by the doctors, "will have little effect on his mental state."

Dr. Joseph C. C. third psychiatrist for the state, requested that he be allowed until tomorrow to prepare his opinion since he had just received a history of French today and had not had time to study it.

Court attaches believed the case would go to the jury for deliberation tomorrow night. The courtroom again was crowded with spectators, most of them women.

ALTURAS, Cal., July 13 (AP)—The belief that Harry French was insane the night he invaded the home of Claude L. McCracken and shot the editor to death was expressed today by Dr. Phil McKenney at French's insanity trial.

Dr. McKenney stated he could not define the form of insanity which afflicted French, convicted of first degree murder for slaying McCracken in a newspaper "feud."

The witness said, however, that French's act in shooting McCracken before two witnesses, then going to neighbor's house and telling of it was not the actions of a sane person.

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MY 1936 MODEL A FORD COUPE for sale, reasonable. See it at 4th and Klamath, 6 a. m. to 6 p. m.



BATTLESHIP ABROAD. This is the United States battleship Arkansas shown passing through the Kaiser Wilhelm canal, during its visit to the German coast. The Arkansas, accompanied by the Wyoming and the New York, were all on European trips and touched port at Kiel in June.

Tying Nazi-Fascist Ties Tighter



Here is new evidence of the ever tightening relations between the German Nazis and Italian Fascists—Chancellor Hitler reviews 1200 Italian youths in Berlin. Side by side behind him are Balducci von Schirach, Hitler Youth Movement leader, and Italian Youth leader Ricci (right).

HELEN CHARGES EXTREME CRUELTY AS DIVORCE COUNT

(Continued from Page One)

repeated," she said, "that I am here for a divorce."

"My attorney said I was to make no comment. All I can say is that I am up here for my summer residence and that I am enjoying my first visit to the lake since I was 3 years old."

It was explained that an unqualified admission by Mrs. Moody that she had come to Nevada to establish residence for divorce might endanger validity of her decree in other states. When she appears in a Nevada district court, probably in Minden, she must swear that she intended to establish a permanent residence here.

RENO, Nev., July 14 (AP)—Mrs. Helen Willis Moody, former tennis queen, was established at a Nevada resort today but was noncommittal about reports she planned to divorce wealthy Frederick S. Moody, Jr., of San Francisco.

Attorney Robert M. Price of Reno, whom she visited yesterday after her arrival, said:

"Mrs. Moody is living in Nevada and expects to be here for some time. All that I can say now is that she was at my office and consulted with me and she may later on seek a divorce."

The former women's tennis champion of the world was less definite. She said she had established herself at Glenbrook, a Lake Tahoe resort, merely "to rest."

Mrs. Moody's sister-in-law, Mrs. Corbett Moody, said in San Francisco that a divorce was contemplated.

"Yes, it's true," the sister-in-law said.

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CHICHESTER'S PILLS
"THE DIAMOND BRAND"

law declared. "Helen has gone to Nevada to get a divorce."

Moody, socially prominent husband of the tennis player and fashion designer, was on a holiday somewhere in northern California.

The former Helen Willis and her husband were married in Berkeley, Cal., Dec. 23, 1929. Their romance began on the French Riviera in 1929, when the tennis player was in temporary retirement from court competition because of illness.

Last year Mrs. Moody announced she would play in no more major tournaments. Recently she discussed film work with Hollywood studio executives.

As a prelude to the struggle, leaders on both sides held conferences behind locked doors.

Principals gave every indication of fight to the finish, with Joseph P. Ryan, veteran ILA president, declaring:

"We're not taking ultimatums from anybody."

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"THE DIAMOND BRAND"

JAPANESE PLAN WAR IN CHINA

(Continued from Page One)

attack against the city from the east and south.

The troops drove to the very shadow of the ancient capital's walls in motor trucks and under the protection of armored cars and Japanese infantrymen, supported by light field pieces.

Stop Armored Trains
Chinese troops succeeded in removing sections of railway track skirting the southern and eastern walls of Peiping, to prevent the approach of Japanese armored trains.

The Chinese defenders, semi-official Chinese reports said, withstood the assault.

The Japanese attackers were forced to content themselves with establishing a virtual blockade of two sides of Peiping.

Supply Lines Cut
The Japanese also succeeded in cutting communication and supply lines between Peiping and Nanyuan barracks. Immediately to the south. The two Chinese brigades stationed there were cut off from other units of the Chinese 29th route army, except by a southern and roundabout route.

PEIPING, China, July 13 (AP)—Five Japanese bombers, Chinese sources reported today, bombed the Nanyuan barracks and air-drome eight miles south of this ancient city.

The report was not at once confirmed.

The aerial attack, according to the Chinese informants, occurred between 3 and 4 p. m. (2 and 3 a. m., EST).

The report first became known here late in the day, delayed because telephone communications with Nanyuan were cut during today's fighting.

Cannonading Audible
Heavy cannonading in the direction of Nanyuan was audible here.

United States marine, embassy guards atop the city wall reported that two Japanese planes were sighted above Nanyuan this afternoon. They said what appeared to be shrapnel explosions were seen before the planes departed, presumably for their Tientsin base.

Chinese sources believed the planes may have dropped hand grenades.

General Sung Chue-Yuan's 29th Chinese route army forced a heavily supported detachment of Japanese troops to retreat toward their Fengtai base after they had been driven back on Peiping's southern wall in two hours of hand to hand fighting.

The big swords of the Chinese infantry clashed in the sultry noon sunshine with the bayonets of the Japanese at the strategic railway bridge a half mile south of the walls.

The Japanese formed one of the advance units of a reported

Sons of Legion—Sons of the American Legion were scheduled to meet Tuesday evening at the Legion hall for drill practice, according to an announcement from Carl Cook.

STATE TREASURY BEST IN 15 YEARS

SALEM, July 13 (AP)—The condition of the state treasury at the end of its fiscal year on June 30 was the best in 15 years, State Treasurer Rufus C. Holman reported today. A cash balance of \$13,677,350 and total bonded debt of \$47,179,610.

The cash balance was almost a record high. The bonded debt was about \$18,000,000 below the 1928 bonded debt of \$65,325,710.

The total assessed valuation of all property in Oregon was about \$392,000,000.

POE VALLEY

POE VALLEY—The people in the valley are now busy haying and irrigating their crops.

Ben Nork of Langell Valley was out this way one day last week. He reports a fairly good crop on his ranch.

Mrs. Birdsell and two small daughters are sick with the whooping cough.

Nannie Van Meter has an attack of sore throat this week.

Fern Benedict is now employed at the Holzhauser ranch home.

Gill Adams of Klamath Falls is working in the valley at the present time.

Harry Gilbert and wife spent the Fourth at the home of Elmer Moore and family.

Lucia Webber called at the Earl Webber place Tuesday.

Laura Doak and daughter Lucille are visiting in the valley with relatives and friends this week.

Web Van Meter has been employed at Lewis and Stavers implement store of Klamath Falls for the last few weeks.

Jim McCracken and Charles Nichols of Altonville Acres were visitors in the valley Sunday.

Word was received here of the birth of a daughter to Mr. and Mrs. Ben Nork of Langell Valley, former resident of Poe Valley.

Ernest Henning is helping Joe Nork with the hay crop this week.

Mrs. Birdsell and small daughters, Letha and Alisha are sick with whooping cough.

10,000 troops being rushed to the north China battle area from Manchoukuo, the state Japan carved out of Chinese Manchuria.

Reliable foreign sources declared 100 Japanese warplanes flew over Shanhaikwan, on the border of Manchoukuo and Hopeh province, en route yesterday to the scene of action.

Before wheeling toward Fengtai, the Japanese headquarters and base in the Peiping battle area, they made a determined stand at the railway bridge where the heaviest fighting of the engagement took place. Heavy casualties were reported suffered by both sides.

Rioting Reported
As they retreated, the Japanese were reported to have torn up the railway tracks in the vicinity, halting train service from Peiping.

Another Japanese force was said to have launched a futile attack on Nanyuan itself at the same time the column from the north went into action.

Meanwhile rioting was reported in the 400,000 Chinese quarters of the city.

At the height of the battle outside the walls Japanese and Korean citizens who reside in the district were said to have attempted to escape into the old Tartar city—the northern section—only to find the Chien-Men gate, near the U. S. embassy, barred to them.

WASHINGTON, July 13 (AP)—Secretary Hull said today he had received a communication from the British government, which was believed to contain a suggestion concerning the far eastern situation.

He declined, however, to disclose the nature or text of the note, or what reply was made by the United States.

**SHOWERS, CLOUDS
BRING RELIEF TO
HEAT SUFFERERS**

By the Associated Press
Showers and clouded skies relieved a large part of the nation today from the scorching temperatures of a week-long heat wave.

Meteorologist J. R. Lloyd at Chicago said more rain was expected today but that the plains states probably would be dry and warm tomorrow.

New York and New England states were cooler but temperatures soared again in south Atlantic states.

An Associated Press survey showed at least 357 persons in 25 states died from causes attributable to the prolonged heat wave. New Jersey led with a total of 58. New York had 49 and Connecticut 35.

In Chicago two heavy downpours yesterday sent temperatures down 15 degrees from the day's high of 88.

Nine inches of rainfall flooded streets and basements of business houses at Blockton, Ia. The first rain since mid-June checked the heat in northern South Dakota.

Showers also broke the hot spell in the New England states. Heavy rains last night caused unestimated damage in rural districts near Wheeling, W. Va.

During the World War, it cost the United States government approximately \$10,000 to train a pilot for warfare combat.

SOVIET FLIERS SET SAN DIEGO GOAL FOR HOP

(Continued from Page One)

border and somewhere along the coast in the Pacific northwest. Residents of Pasco, Wash., reported seeing a red monoplane at 6:15 p. m., PST, but they could not be certain that it was the powerful Russian plane which left Moscow Sunday afternoon (PST) and flew across the north pole less than 24 hours later.

Two new indications the Russians were aiming at San Diego came after 9:30 p. m.

In a message to the army signal corps radio headquarters in the San Francisco Presidio, the fliers said: "Give answer what time can make a landing, how much time will airplane at San Diego be cleared. Please hasten with answer."

Want Dash Landing
A Vartanian, Russian translator at Seattle, to which city the message was relayed, said that the fliers desired information on how soon fog overlying San Diego would lift.

And in the offices of the Oakland airport, the Soviet consular representatives discussed the flight in Russian with Seattle and while there received a new message from the flight.

The message purportedly indicated the fliers did not want to make a landing at night and believed they had enough fuel to carry them to San Diego and a dash landing.

In the meantime unofficial reports received at the bureau of air commerce at Oakland indicated that around 10:15 p. m. the fliers were at or near Roseville, Cal., which is about 80 airline miles from Oakland.

SEATTLE, July 13 (AP)—Fragmentary messages picked up by the U. S. bureau of army air commerce here at 2:30 p. m. today indicated the Russian transpolar fliers were listening in on the signal corps station frequency, Capt. Paul Edwards said. The messages gave no plane position.

Captain Edwards said if the plane was following the pre-arranged 120th parallel course it should be near the Canadian-U. S. border. He said that a Vartanian soviet flight representative in charge of relaying messages to and

from the plane, said he believed the plane still was following that course.

The plane would be at about Kamloops, B. C., Edwards estimated, based on its last reported position at 11:20 a. m. and its average speed of 195 miles an hour.

SEATTLE, July 13 (AP)—The three Russian transpolar fliers released the army signal corps here at 11:20 a. m. today they were 400 miles north of the international boundary and 150 miles south of Fort St. John, B. C., east of the Rockies.

"Everything All Right"
The message added: "Everything is all right. I don't receive you." This was after they had asked route suggestions and a message had been transmitted advising them to turn east to avoid storms.

Fort St. John is in the Peace river block, near the Alberta boundary. A position 100 miles south of there would put the plane about due west of Grande Prairie, Alta., and close to the 55th degree of latitude.

EDMONTON, July 13 (AP)—Canadian National Telegraph operator at Uak, B. C., 100 miles east of Prince Rupert, B. C., telegraphed here today at 11 a. m., PST, he saw an airplane which he believed to be the transpolar Russian machine, there. He said the machine was flying "straight south."

Canadian National Telegraph offices advised that Uak is in a poorly inhabited district and there was little they could do immediately to get further word of the airplane from other points.

No Description
The message from Uak did not describe the airplane which the operator saw, and efforts to get a description were not successful immediately.

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