

WASHINGTON AWAITS WORD FROM JAPAN

State Department Asks
For Expression of
Shanghai Intentions.

NOTE SENT ALSO TO GREAT BRITAIN

Principal Interest of
United States is to See
That International Land
Not Invaded.

WASHINGTON, Jan. 28 (AP)—While the American government watched the strife in Shanghai with mounting apprehension, indications came late today that it will refrain from acting by itself to alter the Japanese course.

MANILA, Jan. 29 (Friday) (AP)—Four destroyers of the United States navy fleet here ordered all men aboard early today, awaiting orders to proceed to Shanghai.

WASHINGTON, Jan. 28 (AP)—Definitive action by the United States in the Shanghai situation, was delayed today pending replies by Japan and Great Britain to separate diplomatic overtures to them on the problem.

The United States has asked Japan for an expression of its intentions in the increasingly delicate situation. Meanwhile Secretary Stimson was discussing with the British government measures which might be taken.

British Not Anxious
The indications in diplomatic circles were that Great Britain is not anxious to become involved actively.

The United States has asked Great Britain for an expression of how London feels the problems could best be dealt with.

In the discussions between the two powers they are seeking to determine how far each is prepared to go to protect its interests.

Reports to the state department from American Consul General Edwin S. Cunningham, at Shanghai, referred to the state of "emergency" and an apparent attempt on the life of the Japanese consul general by bombing.

The flagship of the Japanese warships now at Shanghai, Cunningham reported, had been removed to in front of the consulate, frontier on the river.

Blockade Reports Discredited
One of the principal interests of the United States today was to see that no forces be sent into the in-

(Continued on Page Eight)

SIX MINUTES ARE REQUIRED FOR CITY MEET

The city commission meeting last night was another of those usually brief affairs, the actual time taken amounting to around six minutes. After the reading of the minutes and the city manager's report, the only other business was the cancelling of a bond for a local business place at the request of the bondsmen and the acceptance of a new bond in its place.

The manager's report stated that the recent cold spell slowed up gravel hauling to some extent, due to frost in the pit. Also that September warrants amounting to \$10,718 were called in Jan. 26, leaving October, November, December and January warrants outstanding amounting to \$35,926.66.

Cash on hand at the end of the week was \$17,315.68, divided as follows: La Grande National bank \$9,926.44, U. S. National bank \$6,794.97, cash \$594.27.

Judge Sweek Will Be Here Tomorrow

Circuit Judge Calvin L. Sweek, of Pendleton, will be in La Grande tomorrow to hear motions and cases assigned to him in the circuit court.

Two cases which will be tried are those of the Fletcher Oil company vs. McLaughlin and Leonard vs. Rodas.

The regular February term of court opens in La Grande at the Union county court house Monday, Feb. 1, with Judge J. W. Knowles on the bench.

WEATHER FORECAST
Oregon: Unsettled tonight with local snows in the mountains; Friday generally fair; cold in the northeast portion; fresh north winds offshore.

WEATHER TODAY
7 a. m.—24 above.
Minimum: 20 above.
Condition: Cloudy.

WEATHER YESTERDAY
Maximum 35, minimum 19 above.
Condition: Cloudy, snow half an inch, moisture .05 of an inch. Range—16 degrees.

WEATHER JAN. 29, 1931
Maximum 54, minimum 32 above.
Condition: Clear. Range—22 degrees.

Holman Will Be La Grande Guest Next Wednesday

State Treasurer to Speak
at Open Meeting of Rotary
Club in the La Grande Hotel.

Rotarians of La Grande are completing arrangements this week for an open meeting to be held next Wednesday at noon at the La Grande hotel at which time Rufus Holman, state treasurer, will be the guest speaker.

The chamber of commerce, Lions club and others have been invited to attend the session.

Mr. Holman is to leave Salem Monday for a week's inspection and speaking trip in Eastern Oregon, according to word received here by State Senator Colon R. Eberhard.

Mr. Holman, in a statement at Salem, declared the trip was actuated by desire to complete an "all-season" view of the state institutional problems and to acknowledge speaking invitations received in recent weeks. Inspections of the new unit at the tuberculosis hospital at The Dalles and of the new wing being constructed to the state hospital at Pendleton are included in the treasurer's itinerary.

Monday Mr. Holman will speak at Hood River and The Dalles. On Tuesday he will be in Pendleton, in La Grande Wednesday, Baker Thursday, John Day Friday and Burns on Saturday.

Young People In Church To Give Program Sunday

Upon recommendation by the general assembly of the Presbyterian church, next Sunday, Jan. 31, has been set apart as young people's day, and will be observed by the young people of the local Presbyterian church, with a suitable program on Christian education, at 7:30 o'clock, taking the place of the regular evening session period.

The theme of the day is "Christ In and Through Us". There will be several addresses by members of the Christian Endeavor societies, music by the orchestra, other special numbers, and a service of commissioning, incorporating a candle lighting, to be conducted by the pastor. Subjects include "We Would Serve Our Church", "We Would Serve Our People", "We Would Serve Our Master", and a part of the program will incorporate the active membership pledge.

The following program will be presented with Robert Enkin presiding: Prelude by the Christian Endeavor orchestra.

Constitutional singing.
The presiding officer will announce the purpose of the meeting.

Scripture readings by the Misses Margaret McAllister and Marie Floberg.

(Continued on Page Eight)

Willard Marks Takes The Chair For Third Time

SALEM, Jan. 28 (AP)—For the third time within a year, Willard L. Marks, of Albany, president of the senate, is occupying the executive chair for the state of Oregon. Marks arrived today to take over the duties of that department during the absence from the state of Governor Julius L. Meier.

Marks, a governor several days last summer while Meier was in San Francisco. His longest term was the month of December while the governor was in California. He will be governor about three weeks his third time in the chair, while Meier is in Washington, D. C., in the interests of the Columbia river development.

Governor Marks said he would give no consideration to pardon applications, but would confine his activities to routine affairs and administration of the affairs of state as they are presented. A land board meeting has been scheduled for today, but there will be no board of control meeting.

Petitions Out To Repeal Prohi Law

THE DALLES, Ore., Jan. 28 (AP)—Bearing the names of more than 250 registered voters in precincts of the northern part of Wasco county and of The Dalles, petitions calling for the repeal of the Oregon prohibition law were filed Wednesday with Henry W. Scamner, county clerk.

The petitions were circulated for the purpose of placing on the ballot a repeal statute proposed by Harry B. Critchlow.

Movement of Flour To China Continues

PORTLAND, Ore., Jan. 28 (AP)—Despite the rumblings of war guns in and around Shanghai, the movement of the farm board's 15,000,000 bushels of wheat and flour to China continues without change. Henry W. Collins, regional director of the Farmers' National Grain corporation, said today. He is supervising the movement.

Collins admitted, however, he is somewhat disturbed by today's developments, but he said he has had no orders to halt the movement or delay loading of ships to await further developments. The board will continue to move the wheat and flour on previously arranged schedules, he declared.

DEMOCRATIC TARIFF BILL IS REPORTED

Senate Finance Committee
Votes An Unfavorable
Report on Measure

NEW TAX BILL NOT TO BE RETROACTIVE

Hoover's Three Appointments
to Reconstruction
Corporation Confirmed
in Senate.

WASHINGTON, Jan. 28 (AP)—The senate finance committee today voted an unfavorable report on a revised house Democratic tariff bill.

There was no roll call on the motion to send the bill to the senate with an adverse report, but an earlier move to report it favorably resulted in a tie, 10 to 10, with Senator La Follette (R., Wis.) joining the nine Democratic members in voting for it.

Before the bill can come up on the floor, Chairman Smoot must make his report and the bill be sent to the calendar to await its turn.

The measure contains several amendments proposed by Senator Harrison of Mississippi, ranking Democrat on the finance committee.

As it stands now, the bill would restore to congress the power held by the president to increase or de-

(Continued on Page Five)

NORMAL SCHOOL WINS SIXTH GAME

Enterprise Beaten 49 to
29—Play Whitman Saturday, Ashland Monday

The blue and gold Mountaineers of Eastern Oregon Normal school won their sixth straight basketball game of the season at Enterprise last night, defeating a revamped all-star team 49 to 29. A week ago the Enterprise squad lost to the Normal quintet here 80 to 64.

Enterprise, bolstered up with Hays, forward, and Craven, center, made a race of it the first half, which ended 21 to 17 in favor of the Mountaineers. Enterprise led 9 to 7 at the end of the first period.

In the third quarter the Normal school gradually drew away from the home team and in the last five minutes the score was safe enough for Coach Bob Quinn to throw his second stringers into the fray.

Play Whitman Next
The Mountaineers face one of their toughest games of the year at Walla Walla Saturday night when they play Nig Borleske's crack Whitman college quintet. Whitman is being picked by most sport writers to win the Northwest conference championship this season, and the La Grande school will go into the game the underdog. Borleske has three teams of about equal strength this year while Quinn must depend upon only his first five men to bear the brunt of the attack.

On Monday and Tuesday the Southern Oregon Normal school of Ashland will invade La Grande for a

(Continued on Page Two)

OREGON RATES ON GRAIN NOT TO BE CHANGED

SALEM, Jan. 28 (AP)—Oregon rates on grain and grain products will remain the same, unaffected by the announced resumption of former rates made by railroads today, Charles M. Thomas, public utilities commissioner, said here. The old rates will affect interstate commerce only, but the intrastate rates will remain the same as has been in effect since April, 1931.

The reduction, averaging about 20 per cent, was ordered by the state commission last April, based on the interstate commerce ruling, which however did not become effective until August. The U. S. supreme court decision as of January 4, this year, holding the reduction by the interstate commerce illegal, likewise did not affect the Oregon order.

Enrollment at High School Eight Students Short of The 700 Mark

The enrollment in the La Grande High school was within eight of the 700 mark today, near the end of the second week of the second semester. School authorities doubted that the 700 mark would be reached this year, with only a few students likely to enroll from now on.

The High school registration went up to a peak of 720 last year during the second semester, but since then many believe that the population of the city has decreased to some extent. As a matter of fact, the High school enrollment has been running from 25 to 30 behind last year's figures throughout the present school year.

39 Finish Eighth Grade
Thirty-nine eighth grade came into High school at mid-year from the eighth grade, and only one student completed his work as a senior. This student, however, will not receive his

(Continued on Page Five)

Seek To Quash Indictments In Hawaiian Case

Defense Attorneys Charge
That Grand Jury Was
Coerced By Circuit
Judge Cristy.

HONOLULU, Jan. 28 (AP)—A motion to quash the second degree murder indictment against Mrs. Granville Fortescue and three navy men accused of slaying a suspected woman attacker was filed here Wednesday by defense attorneys who charged the grand jury had been coerced in its activities by Circuit Judge A. M. Cristy.

Second degree murder indictments had been returned grudgingly by the grand jury against the four, charging them with slaying Joseph Kahahawai, suspected assaulter of Mrs. Fortescue's daughter.

The indictments were returned only after Circuit Judge A. M. Cristy once refused to accept the jury's proffered report and raised the question of anarchy.

The defense immediately seized upon the grand jury's apparent unwillingness to return an indictment and Attorney Montgomery Wynn presented to the court to quash the indictment. His plea is based on the contention that coercion was used to make the jury return the formal indictment.

To Fix Bail
Bail also was to be fixed for the defendants, who include Lieut. Thomas H. Masie, Mrs. Fortescue's son-in-law, and E. J. Lord and Albert O. Jones, enlisted men. They have been held at Pearl Harbor naval base without bail since their arrest nearly three weeks ago.

Both Lieut. Masie and Mrs. Fortescue expressed gratitude at the returning of the indictment and indicated they expected ultimate vindication. Their feelings were expressed in cables, the lieutenant cabling to his mother in Winchester, Ky., and Mrs. Fortescue to her husband in New York.

BILL HOWARD PROMOTED TO STATE POLICE

Willard Tubbs, state policeman who came here from The Dalles a few months ago, will be transferred to Baker on Feb. 1 to succeed Amos Helms, deceased. Mr. Tubbs had been in charge of the night shift in the La Grande area under the direction of Sergeant J. A. Robertson for the last few weeks.

Replacing Mr. Tubbs in La Grande will be Bill Howard, of this city, who was selected by state police headquarters from the ranks of local policemen. Mr. Howard is the second member of his family to become a state policeman—his brother having been a state policeman in Western Oregon since the department was organized. Mr. Howard will continue the night shift for the present, it is announced.

Police Chief Jim Steffen stated today that Robert Coy will replace Mr. Howard on the local police force.

Two Oregon Girls Are At Shanghai

PORTLAND, Jan. 28 (AP)—Among the many former Oregon residents who are now living in Shanghai are two Portlanders, the Misses Margaret and Betty Lewis, graduates of Willamette university, and now the only white women on the faculty of Mary Fomham college at South Gate, in the Chinese section of Shanghai.

Margaret graduated from Willamette in 1928 and taught school a year before she went to the Orient three years ago.

Betty graduated last June. She, like her sister, was a prominent member of the Willamette student body, held many offices, and acted as May queen in her senior year.

The Lewis family believes the girls will seek refuge in the foreign section as soon as Presbyterian mission authorities decide life in the Chinese quarter is unsafe.

MRS. DONNELLY STRICKEN
EUGENE, Ore., Jan. 27 (AP)—Mrs. Charlotte B. Donnelly, for the past 12 years head of the employment bureau of the University of Oregon Y. M. C. A. was found dead in her office last night. It is believed she died during the afternoon.

The body was found by Rolla Reedy, student president of the Y. M. C. A., and J. Wilson, all residents of the hut. A physician said apoplexy was the cause of death.

OREGON SCULPTOR DIES

PORTLAND, Ore., Jan. 28 (AP)—Wainwright E. Heywood, 75, who 12 years ago retired after having won considerable reputation as a sculptor, died at his home here today.

Heywood was born in Staffordshire, England. He twice won the South Hensington medal, once for designing a carriage for King Edward VII, and again for a bust of a parliament member. He was a member of the art institute of Birmingham. Heywood came to the United States to execute work for the St. Louis fair, and later participated in the Seattle fair.

Oregon Firm Gets Large Contract

SALEM, Jan. 28 (AP)—The Western Paper Converting company here has started work on a contract to supply 100,000,000 glassine bags for a New York firm. The glassine bags will be used to cover "popsicles," a frozen sherbet confection. The order will keep one department of the mill busy for the next nine months working continuously 24 hours a day, say officials of the company.

Announcement also has been made that the company has ordered complete equipment for the manufacture of products from cellophane. Company officials state with the installation of this machinery about March 1 the company will be the first on the coast to be equipped for the manufacture of such products.

SHE KEEPS HER PROMISE



Because she had promised her husband to abandon her stage career, Hazel Forbes, former "Follies" beauty, has refused since his death to accept offers for parts in new Broadway shows.

Unions Continue Vote On Railway Salary Dispute

CHICAGO, Jan. 28 (AP)—Agreement by railway labor upon a ten per cent voluntary wage reduction was averted today in a resolution adopted by the Brotherhood of Railroad Trainmen, last of the 20 union groups to vote.

The trainmen agreed to rejoin the brother organizations in seeking "the best settlement possible" but specified the railroads must promise not to attempt another wage reduction for a full year after the termination of the contemplated year's reduction.

CHICAGO, Jan. 28 (AP)—Votes of railway labor dropped once more into the ballot boxes today with the hope a count would end a three-day deadlock on the \$215,000,000 wage slice.

After yesterday's last tally was counted last night, David Brown Robertson, chief of the workers, announced:

(Continued on Page Five)

Kidnapers Free South Bend Man Without Ransom

SOUTH BEND, Ind., Jan. 28 (AP)—Howard A. Woolverton, 52, prominent South Bend business man sought throughout Northern Indiana and Illinois for 23 hours after being kidnaped, returned alone to his home here at 11:35 o'clock last night without his ransom, having met the demand of his abductors for \$50,000 ransom.

A bit incoherent, and highly nervous from his experience, Woolverton was shielded from persons other than his immediate family and placed under the care of a physician. Speaking for the family, G. A. Farabaugh, an attorney, said Woolverton would resume his daily routine after a day or two of rest.

Unshaven and exhausted from many hours of riding about blindfolded in an automobile, under constant guard of two or three men, Woolverton after being let out at the outskirts of Michigan City, boarded an electric train and came to the center of South Bend 36 miles away, without being recognized. He proceeded home immediately.

(Continued on Page Seven)

TAX INCREASE ONLY HOPE OF REP. HAWLEY

HARRISBURG, Pa., Jan. 28 (AP)—Congressman Willis G. Hawley, of Oregon, co-author of the much-discussed Smoot-Hawley tariff bill, believes the credit structure of the government can only be maintained by "increased taxation."

Speaking at the closing session of the annual convention of the Pennsylvania State chamber of commerce, Hawley last night outlined what congress is doing to avert a threatened federal deficit of \$3,545,000,000 estimated at the end of the fiscal year 1933.

He suggested a nation-wide investigation of the "imposition of taxes" with a view to obtaining a more equal distribution of assessments. "A scientific system of taxation," he said, "could be substituted for our present condition of inequitable and duplicate taxation."

Plans For Soldiers' Home Nearly Ready

PORTLAND, Jan. 28 (AP)—A Washington, D. C., dispatch to the Journal today said the veterans administration has advised Representative Martin, of Oregon, that plans for the soldiers' home at Roseburg are nearly ready and bids will be invited early in February.

The dispatch said "the abstracts have been sent to the adjutant general for approval. Bids will be opened about the middle of March and construction will start immediately afterwards."

Hope for Rescue Of Three Score On M-2 Fading

Supply of Oxygen Would
Be Exhausted Today—
Search Moves to New
Location.

PORTLAND, England, Jan. 28 (AP)—Mysterious tapplings under the water were detected today by the destroyer Thruster on her listening apparatus, and the rescue flotilla looking for the sunken submarine M-2 spurred its operations as night fell.

PORTLAND, England, Jan. 28 (AP)—Seaplanes flying over the English channel off Portland today discovered a large patch of oil on the water which pilots believe might indicate the presence of the sunken submarine M-2.

After circling the patch of oil several times one pilot was able to see that oil was constantly coming to the surface from below. In the center of the patch was something which looked like a fender but could not immediately be identified.

The patch covered an area of four or five square miles and was located about three miles south of Portland, but some distance from where British ships have been searching.

PORTLAND, England, Jan. 28 (AP)—Practically the entire flotilla of the British navy which was searching for the British submarine M-2 which sank in the British channel Tuesday was moved to a new location today eight miles away from the spot previously searched.

Hope for the rescue of the three score men who made up the crew of the submarine was practically abandoned today.

Two days and nights of searching the floor of Dead Man's bay, pathway of treacherous tides in the English channel where the submarine went down, failed to establish any contact with the vessel. Drag lines with which the spot was swept struck rocks and snags and the rotting hulks of other tragedies of days gone by, but failed to locate the submarine.

Wrong Place, Captain Says
The new search, was begun when Captain Howard, of the steamer Tyne, who said he saw the submarine go down, told a correspondent of the London Daily Mail the search was not being made at the right place. The position he gave as the spot where he saw the boat dive was several miles away from where the search was being made.

He was crossing the channel in his steamer Tuesday when he saw the submarine dive. He had never seen a submarine go down before, he said, so he supposed it was all right. The ship submerged stern first, he said.

Oxygen Exhausted Today
The 48 hours originally fixed as the limit of the supply of oxygen in the submarine expired early today, although officials said the crew might be able to exist a few hours longer if the hull was undamaged.

Last night some of the bereaved wives and children were still gathered on the Portland docks, hoping against hope. One woman with two children, four and eight years old, stood there tearfully, while the children, not realizing the portent of tragedy, tugged at her hands, pleading to go home because they were tired.

Six-Mile Lower
Powder Ditch
Project Begun

BAKER, Ore., Jan. 28 (Special)—Four farmers of the Lower Powder section, Rufus Bunch, Clarence Love, Mrs. Burnside and Mrs. Love, mother of Clarence Love, have started construction of six miles of ditch for irrigation purposes. The project will include 800 feet of tunnel.

The ditch will be an extension of the Baesche-Duncan ditch, one of the old irrigation systems of the valley. The project is designed to furnish water for 600 to 700 acres of land lying in the lower end of Lower Powder valley. The water will be taken from the Thief valley reservoir, which the government is now building.

The project will cover some land formerly partly irrigated and some sagebrush land never cultivated. The

(Continued on Page Three)

Gas War Extends Into Salem Area

SALEM, Jan. 28 (AP)—The reaction of the gasoline war in Portland was felt here today when the majority of service stations reduced the price of gasoline from 18 1/2 to 14 1/2 cents. It was announced the dealers were making the cut as there had been no reduction in the wholesale price.

Wheat Today

CHICAGO, Jan. 28 (AP)—Seasaw fluctuations in grain resulted today from stock market weakness offset by likelihood of a severe cold wave overspreading various unprotected winter wheat areas.

For the first time this season, July wheat, representing the new 1932 crop, went to a premium over May, an old crop delivery. Much interest by grain traders was shown in the Japan-China clash, but no apparent market results were discernible, wheat finishing virtually unchanged from last night.

Wheat closed irregular, at 1/2 c decline to 1/2 c advance, corn unchanged to 3/4 c lower, oats unchanged to 1/4 c off, and provisions unchanged to a setback of 7 cents.

PORTLAND, Jan. 28 (AP)—While the September was nominally unchanged May and July wheat each lost 1/4 c bu. on the Portland grain exchange during the Thursday session. Sales included but 1000 bu. May.

On the merchants exchange cash wheat was unchanged. White oats lost 50c ton.

JAPAN MOVES ON SHANGHAI AT MIDNIGHT

Two Thousand Marines
Roll Into Chinese Quar-
ter Early Friday.

FIGHTING BREAKS OUT, REPORTS SAY

Japanese Warships Lay
in Harbor Ready With
More Troops Despite
Chinese Action.

SHANGHAI, Friday, Jan. 29 (AP)—New and heavy fighting broke out in the Chinese quarter early this morning as the Chinese hurried up reinforcements three hours after 2000 Japanese marines had marched into the city. At 3 a. m. it looked as though the Chinese would be cleared out and a way would be opened for further penetration into Chinese territory.

Japanese warships opened a heavy bombardment of the Chinese fort at Woosung, 18 miles from the mouth of the Whangpoo river, shortly after midnight had occupied Shanghai today.

SHANGHAI, China, Jan. 29 (Friday) (AP)—Two thousand Japanese marines rolled into the Chinese quarter of Shanghai in motor trucks early today and fighting broke out on the edge of the international settlement.

It was estimated there were 24,000 Chinese troops in the vicinity of Shanghai but the Japanese were under orders to clear them out of the Chinese quarter where many residents are Japanese.

Japan has announced its intention of using force if necessary to suppress anti-Japanese organizations outside the international quarter.

The Chinese municipal authorities capitulated last night to a Japanese ultimatum demanding dissolution of the objectionable organizations inside the settlement.

(Continued on Page Eight)

THIRD ATTEMPT IN MONTH TO WRECK TRAIN

WATSONVILLE, Cal., Jan. 28 (AP)—The third attempt this month to wreck the Lark, fast San Francisco-Los Angeles train, damaged a heavy locomotive and three cars last night and held up traffic 35 minutes on the coast line of the Southern Pacific.

Locks on a spur switch and a signal box were forced and a wire some 20 feet long attached to the switch, railroad investigators announced. The signal registered clear until the train reached the switch, when the wire apparently was jerked and the train shunted off on the 300-yard long spur track. No arrests were made.

Railroad men praised the conduct of Engineer Fritz Meyer, of San Francisco, who stopped the heavy train without disturbing the 200-odd passengers. The locomotive ploughed nine yards into a gravel bunker at the end of the spur, damaging its front end. Three cars also were damaged, and hauled to Watsonville junction for repairs.

The cars of the Lark were attached to the coaster and continued southward with only 35 minutes delay to the train.

Klamath Labor To Conduct Inquiry

KLAMATH FALLS, Ore., Jan. 28 (AP)—The Central Labor Council here will conduct an investigation into the relationship of Klamath Falls hospitals and the state industrial accident commission.

A controversy arose last week when hospitals, placing a minimum of \$4.50 to \$5 a day for care of injured workmen, declared they could not comply with the commission ruling allowing only \$2.57 for workmen coming under its provisions.

Wheat Today