

**The Weather**  
Probably showers today and Wednesday, no change in temperature; Max. Temp. Monday 59, Min. 43, river 8.3 feet, rain .07 inch, north wind.

EIGHTY-SIXTH YEAR

## Second Puppet State Carved Out of China

### Council Favors Water Mains Project

#### Authority for \$840,154 Job Isn't Opposed

#### City's Share Less Than \$500,000; Saving in Labor Cost Seen

#### 12th Street Line First; Employing Men Other Than WPA Possible

The city council voted without dissent last night to apply for an \$840,154 blanket WPA project enabling the water department to proceed with reconstructing and adding to the distribution system in event the WPA approves. The approval, in resolution form, reserved the city's right to halt the improvement work at any time as the water commission may recommend.

Released for the first time last night, the project application shows the city's share in the expense would be \$492,564 of which \$455,694 would be the cost of pipe and fittings and the balance largely labor and superintendence. Ninety-six per cent of the \$347,590 WPA share would go for labor.

#### Saving With WPA Labor Is Forecast

The resolution cited possible ultimate savings of as much as \$400,000 through use of WPA labor.

Mayor V. E. Kuhn in answering a question by Alderman David O'Hara pointed out that it was unlikely the whole program would ever be completed under the WPA setup but he declared, "we realize that the 12th street feeder main must be completed."

The blanket project, the mayor said, would make it possible to build the 12th street line, grade and landscape the grounds around the new Fairmount reservoir and make many other improvements to the water system at low cost.

"We can shift the men wherever we want and instead of wasting money on repairing bad mains, for instance, we can build new pipelines in the city," Mayor Kuhn added.

#### Other Workers May Be Employed, Held

Giving the revamping program over to the WPA need not result in exclusion of workmen ineligible for relief work, Frank Koehler, resident engineer for Stevens & Kohn, told the council in replying to a question by Alderman Frank P. Marshall.

The WPA would consent to non-WPA laborers working along with relief-assigned crews if desired, W. M. (Jack) Bartlett, district director of operations, advised the council.

The revamping project would enable the water department to remedy many weaknesses in the present distribution system, such as aging main lines, mains of inadequate size, and dead-end mains in which the water tends to stagnate.

Sale of not more than \$300,000 worth of the \$400,000 in city water bonds remaining available is contemplated to finance the project. This would raise the bonded debt on the water system to \$2,400,000.

### Bank Robbery and Slaying Admitted

SACRAMENTO, Calif., March 15—(AP)—Officers Perry Gamble and M. W. Lincum said tonight that Stanley Knapp, 19, confessed he participated in the robbery of a Spokane, Wash., bank February 15 which resulted in the fatal shooting of a patron.

Detective H. H. Bettinger of Spokane said that Knapp implicated his brother Leroy, 21, and Herbert Allen, 21. The officer quoted him as saying: "I pulled the kills" of William Walker, bank patron.

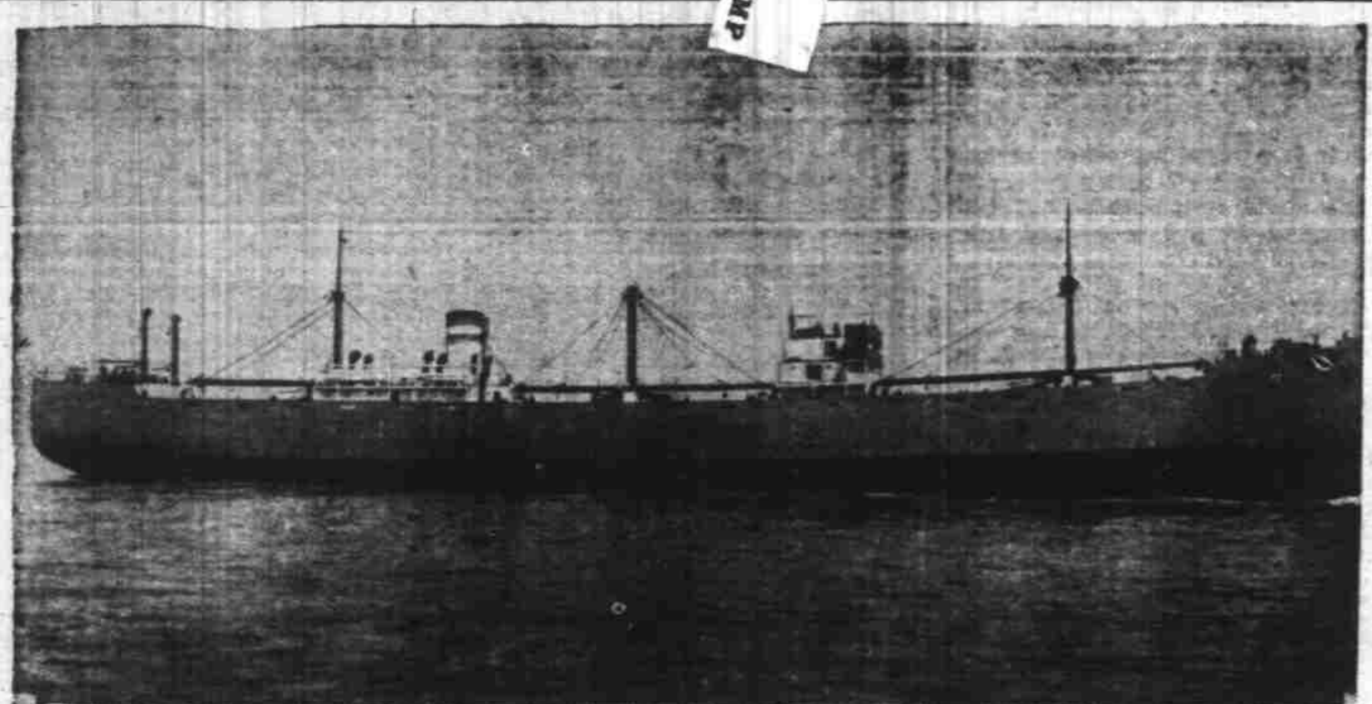
"We got \$4,500 and beat it out of Spokane. I got \$1,300 for my share. Then we split. I don't know where the others are."

Officers disclosed that Knapp dictated a 2,000-word confession and admitted a series of crimes in the northwest ranging over several years.

#### Burglars Abandon Safe On Downtown Sidewalk

PORTLAND, March 15—(AP)—Police found an unopened, 1400-pound safe on a downtown sidewalk today. As they decided the eggs were frightened away or were too weary to lug the safe any farther. It was returned to a nearby restaurant.

### BLAZING MOTORSHIP REACHES PORT



HONOLULU, March 15—(AP)—Firemen pumped carbon dioxide into the number three hold of the British motorship Silver-Larch today in an attempt to smother a fire that became so serious passengers were transferred to a navy cruiser and brought here ahead of the crippled freighter. Escorted by the coast guard cutter Roger P. Taney, the Silver-Larch arrived here at 7 a. m. (12:30 p. m., EST) today. Her decks were uncomfortably hot, but there were no other signs of the blaze that has been gnawing for five days at a cargo of old newspapers. Firemen said they might wait until tomorrow before opening the hatches to see if the use of carbon dioxide was effective.—(International Illustrated News Photos.)

### Bootleg Milk Is Hurting, Charged

#### Enforcement of City Law And State Crackdown Needs, Co-Op Told

With alleged "bootleg" milk cutting into the business of legitimate B grade producers on the Salem market, one of two steps are necessary immediately to straighten the picture out for the producer, W. W. Henry, Portland, manager of the Oregon Dairy-Cooperative association, told members of the Salem unit of the Dairy co-op at a meeting at the chamber of commerce here last night.

Henry declared the first step to straighten out the situation must be a stricter enforcement of the city ordinance.

Secondly, he advocated enforcement by the milk control board of its resale price and butterfat standards for the Salem area.

#### Most of Sentiment Against Raise Here

Producers present last night—a comparatively small group—gave considerable time to a discussion of whether or not the price of milk to the consumer should be raised here. The consensus of opinion was against a move for a raise in the Salem area. (Turn to page 2, col. 2.)

### Review of Labor Cases Is Refused

WASHINGTON, March 15—(AP)—The supreme court, by refusing today to review eight new cases involving the Wagner labor relations act, caused a new flurry of discussion about the tribunal's views on the legislation.

The tribunal's refusal temporarily left in effect lower court rulings for the government in each of the eight cases. Supreme court attaches pointed out, however, that the action could not be interpreted as reflecting the attitude of the justices toward the Wagner measure.

It was said the court's opinion on five pending cases, which may be decided two weeks hence, may decide all the points at issue in the new disputes. It would thus be unnecessary to review.

### LaGuardia Hits at Fuehrer Again at Anti-Nazi Session

NEW YORK, March 15—(AP)—Before screaming thousands at an anti-Nazi meeting Mayor F. H. LaGuardia, who recently precipitated an international exchange by calling Adolf Hitler "a brown shirted fanatic" tonight reiterated his denunciation of the German reich leader.

LaGuardia appeared in the great hall of Madison Square Garden late in the proceedings just as General Hugh S. Johnson, former NRA administrator, was well started upon a vitriolic attack on Hitler.

The mayor, standing with microphone, called out amid a great, almost continuous roar from the garden's twenty-odd thousand seats:

### Seek Examination Of Food Handlers

People engaged in the handling of other than packaged foods would be required to undergo physical examinations once a year and carry certificates issued by the health department, under an ordinance introduced at the city council session last night and referred to committee.

Persons found to have communicable infectious diseases would be barred from employment such as working in restaurants and elsewhere where foodstuffs not packaged are handled.

The bill provides a maximum penalty of \$500 fine and six months in jail for its violation.

### Grange to Oppose Packing of Court

WASHINGTON, March 15—(AP)—Spokesmen for national farm organizations reported today that powerful forces on both sides of the supreme court controversy are making a mighty effort to win farm support.

One leader expressed belief privately that mounting tension resulting from this struggle might split the united stand of farm representatives on some pending farm measures.

Leaders of the farmers' union have spoken publicly on opposite sides of the court issue.

### Rain Mars Vacation

WARM SPRINGS, Ga., March 15—(AP)—An overnight downpour that caused a sharp drop in temperature kept the president close to his vacation cottage on Pine mountain today and caused postponement of his plans to visit nearby federal projects.

He demanded he go to the microphone.

"This protest of mine the other day was no novelty," he said, adding that he had said similar things about Hitler often before.

### Strip of Willson Park Given State

#### No Protest; Goodenough's Light Payment Scheme Fails of Support

WHAT CITY COUNCIL DID LAST NIGHT Contributed a 99-foot strip of Willson park to capitol site.

Rejected resolution arbitrarily reducing city's street lighting bill, heard of new Portland General Electric company proposal to provide additional lights at no extra cost.

Changed bus loading zones. Authorized manning of Floyd B. McMillen first aid car.

The state capitol reconstruction commission's request for an additional 99-foot strip of land in Willson park drew no protests at a public hearing conducted by the city council last night and an ordinance conveying a deed to the state was promptly adopted. There were no speakers for or against the proposal, which will make possible terracing of the grounds at the west end of the new capitol.

### Deficiency Limits Sought By Pierce

WASHINGTON, March 15—(AP)—Rep. Walter M. Pierce of LaGrande, Ore., after conference with farm credit administration officials, predicted today a favorable agriculture department charge varying from 25 cents per quarter mile to 50 cents per quarter mile now imposed outside the existing base rate area.

Charges in the territory adjoining the proposed extended area also would be reduced. Reductions totaling \$454.20 a year, and affecting 88 subscribers, would be accomplished. Four patrons now having private rural phones may pay \$66 more.

Kingwood Heights near West Salem, as well as Kay's and Abertons additions in northeast Salem, the state fairgrounds and new addition between the Pacific highway and Silverton road would be affected as would the property north of the city limits from the Willamette river to the Pacific highway.

### Late Sports

VANCOUVER, B. C., March 15—(AP)—Behind the sparkling goal tending of "Sad Sam" Timmins and a tight defense, the Spokane Clippers hung a 2-0 defeat on the Vancouver Lions here tonight in the first game of the three Pacific Coast Hockey league semi-final championship series.

DENVER, March 15—(AP)—Two highly regarded college teams, only seeded collegiate outfits in the meet, drove into the third round of the National A. A. U. basketball tournament with convincing triumphs tonight.

Long Island university dazed a crowd of 4,000 in beating the extra-tall west Texas teachers, 35 to 30.

### Strikers Hold Plant Despite Court's Order

#### Caution Against Defying Law Is Expressed by Governor Murphy

#### Vote on Abandonment Is Halted; Officers of Law Hold Parley

DETROIT, March 15—(AP)—Five thousands sitdown strikers retained possession of Chrysler corporation automobile plants tonight after a long court evacuation order while Governor Frank Murphy cautioned against "defiance of the law."

The sitdowners, ordered in an injunction to vacate the plants by 9 a. m. (EST) Wednesday, abandoned at union instruction a plan to vote on obedience of the circuit court decision issued this morning.

In a statement directing that the constitutional authority of the courts must be respected, Governor Murphy and his conferees on industrial problems said government agencies are "bound to take proper steps" to preserve public authority and "private property."

The statement pleaded for peace conferences as against the "use of force by any group."

But strikers may Homer Martin, president of the United Automobile Workers of America, said in a statement.

### Portland Strikes Reported Settled

#### Two Bag Plants' Disputes Near End But Lumber Issue Is Growing

PORTLAND, Ore., March 15—(AP)—The reported settlement of strikes at two bag manufacturing plants, involving slightly more than 200 employes, highlighted the labor situation here today.

Bert W. Shelton, business agent for the warehousemen's branch of the International Longshoremen's association, said the management of the Ames Harris Neville Bag company and striking union members had reached terms ending a five months' dispute, and that about 200 employes would return this week.

The union official said the company had agreed to recognize the union, give preferential hiring, a 10 per cent wage increase.

### Reduction Asked, Telephone Rates

The public utilities commissioner was asked Monday to extend the Salem telephone exchange base rate area, reducing residential and business service rates in the district.

The request was made by the Pacific Telephone and Telegraph company. The change would, principally, remove the mileage charge varying from 25 cents per quarter mile to 50 cents per quarter mile now imposed outside the existing base rate area.

Charges in the territory adjoining the proposed extended area also would be reduced. Reductions totaling \$454.20 a year, and affecting 88 subscribers, would be accomplished. Four patrons now having private rural phones may pay \$66 more.

Kingwood Heights near West Salem, as well as Kay's and Abertons additions in northeast Salem, the state fairgrounds and new addition between the Pacific highway and Silverton road would be affected as would the property north of the city limits from the Willamette river to the Pacific highway.

### Two of State Parole Board Members Quit

#### Dr. Utter and Treece to End Service; System Criticisms Seen

#### No Statements; Irvine's 39-Year Education Work Also Ended

Dr. Floyd L. Utter of Salem and W. H. Treece of Portland resigned Monday as members of the state parole board. The third member of the board is W. L. Goslin, secretary to the governor, who holds office ex-officio. The resignations are not effective for a 90-day term. Governor Martin made no comments on the resignations, merely stating he had not yet accepted them.

Another position for the governor to fill is the vacancy on the state board of higher education. B. F. Irvine, editor of the Portland Journal, whose term expired March 2, notified the governor yesterday he would not accept reappointment. Irvine has served for 39 years on boards dealing with the higher education institutions, seven years on the present state board and prior to that on the board of regents of Oregon State college.

#### Present System Faults Are Seen

The resignations of Utter and Treece are regarded as expressions of dissatisfaction with the present parole organization and failure to reorganize the system along lines embraced in three bills which met defeat in the senate last week after passing the house. While both men gave interference of parole board work with personal business as reasons, Dr. Utter is known to be keenly disappointed over the failure of the parole legislation to pass.

Treece, in Portland, said his resignation was made independently without knowledge that Dr. Utter had given the parole board power to determine the sentences of prisoners, under the maximum terms set by judges, and would have made the chairman of the board a full-time, salaried official.

Treece, in Portland, said his resignation was made independently without knowledge that Dr. Utter had given the parole board power to determine the sentences of prisoners, under the maximum terms set by judges, and would have made the chairman of the board a full-time, salaried official.

Treece, in Portland, said his resignation was made independently without knowledge that Dr. Utter had given the parole board power to determine the sentences of prisoners, under the maximum terms set by judges, and would have made the chairman of the board a full-time, salaried official.

### Sheridan Span Is Litigation Theme

McMINNVILLE, Ore., March 15—(AP)—An injunction suit brought by citizens in an effort to force the construction of a new bridge, halted repairs on the county span over the South Yamhill river at Sheridan today.

Circuit Judge Arlie J. Walker signed a temporary order upon petition of V. A. Pars, E. M. Huntley, T. R. Parsons and L. R. Sackett. Judge W. O. Powell and Commissioners T. L. Bockes and Frank Campbell are named defendants. Arguments are set for Tuesday.

The complaint alleges that efforts to repair the bridge are a waste of public funds and that a new structure or major repairs to the extent of \$10,000 are needed.

### Radio Request Okehd

WASHINGTON, March 15—(AP)—A communication commission commissioner recommended today Harold M. Finlay and Eloise Finlay be authorized to construct a radio station at LaGrande, Ore.

### Compromise on Court Issue Proposed by Demo Robinson

WASHINGTON, March 15—(AP)—Senator Robinson (D-Ark) today announced a compromise suggestion to emanate from the administration side of the turbulent debate over President Roosevelt's court reorganization bill.

After predicting the passage of the Roosevelt measure before the session closes, he held out the possibility that at the same time, a constitutional amendment may be proposed to the states, of a nature still to be determined.

Some administration backers of the president's proposal to increase the supreme court to 11

### Resign Parole Board Offices



Above, Dr. Floyd L. Utter of Salem; below, W. H. Treece of Portland, whose resignations as members of the state parole board were announced simultaneously Monday although they acted independently. They will continue to serve until June, it was indicated.

### Army Air Base at Tacoma Approved

WASHINGTON, March 15—(AP)—The army high command disclosed today its intention to establish at Tacoma, Wash., the largest military air base on the Pacific coast to complete its aerial defense in that area.

An eventual expenditure of about \$5,000,000 is contemplated over a period of years, to provide maintenance facilities for sufficient war planes and personnel to meet any emergency.

If present plans are carried out, officers said, the Tacoma depot will be larger than Hamilton field, at San Francisco, and March field, near San Diego, which are the army's only air bases in the far west.

Selection of Tacoma as the first site to be chosen under the Wilcox bill authorizing army flying bases in strategic sections was announced by Generaly Mallin Craig, chief of staff.

### Organize at Klamath

KLAMATH FALLS, Ore., March 15—(AP)—Union representatives from Washington state laid the groundwork for organization of local sawmill and timber workers at a series of meetings during the past week-end.

### Draining of Mill Creek To Aid Quest of Missing Woman Asked of Council

Lloyd Hill and 42 other citizens petitioned the city council to have Mill creek drained to facilitate the search for the body of Lena Goble, who, the petition said, is believed to have drowned herself in the stream recently.

At the request of Councilwoman Gertrude F. Lobdell, the aldermen directed "the proper authorities" to investigate the matter.

Manager Cuyler VanPatten of the water department said it would be difficult to drain the stream at this time of year.

### "Mongokuo" Is Latest Nation On World Map

#### Japanese Influence Seen According to Limited Facts Known Now

#### Ten Wang Believed Head With Tokyo Advisors in Area Numerous

PEIPING, China, March 16—(Tuesday)—(AP)—Unconfirmed reports from the north reached here today that a new nation "simulated" in Manchukuo had been carved out of Chinese territory and had proclaimed its independence.

Reports from missionaries stationed in the vast area to the north of Kalgan declared the Mongol borders of northern China had threatened the new state in northern Charar province "Mongokuo."

The territory embraced by Mongokuo, according to these unverified reports, was roughly of the size of the state of Ohio, bounded on the west by Sibirian province, on the north by outer Mongolia, on the east by Jehol and on the south by the Great Wall.

The capital of the area was reported to have been set up at Chansai.

Leaders of the asserted independence movement were not yet clearly known although the Mongol Prince Ten Wang, who the national government has charged is under Japanese influence, was believed to be playing a prominent role.

Numerous Japanese advisors, it was understood here, have been attached to the new regime. A tariff schedule was said to have already been prepared and printed while the collection of customs was under way. All merchandise entering the area, the reports said, was subject to duty.

What relation the reported recent departure of Japanese military advisors from Chahar province had with the reported establishment of Mongokuo was not clear, but the opinion was widely expressed here they took a prominent part in getting the movement under way and then left the area before the news was disclosed.

### Purchase of New Pumper Is Voted

Purchase of a new 600-gallon fire pump truck to replace "Old Chemical," the city's first piece of motorized fire fighting apparatus, received preliminary approval by the city council last night. City Recorder A. Warren Jones received instructions to call for bids for the new truck, estimated to cost \$3000. It would be equipped with a pressure water tank instead of a chemical tank.

"Old Chemical" as the spattering old chemical and hose wagon has become familiarly known was bought by the city more than 20 years ago and has answered nearly every fire alarm, save for some minor fire blazes, since that time. It is now costing the city heavily in repair bills and is in such condition that it endangers a fireman's life on every run, Alderman W. H. Dancy declared.

### Ballade of Today

When everything is running swell and opposition's plainly routed, the politician's prone to tell the world just how he'll go about it; no protest can him then to hearken, he looms ahead with close-shut eyes, but when his hopes of victory darken, he willing then to compromise.

There is no inconsistency in the president's proposal and in certain amendments to the constitution that have been proposed," Robinson said in a statement carefully dictated to reporters.

"I expect the plan of the president will be approved by the congress. It is by no means certain that amendments will be considered by the two houses of congress for submission to the states."

"Certain amendments that have been proposed to increase the supreme court to 11