

One of the safest and sanest ways to spend Independence day is to attend the American Legion celebration at the fairgrounds.

Partly cloudy and cooler today and Monday; Max. Temp. Saturday 85, Min. 52, river 1.1 feet, clear, light northerly wind.

Hopes Waning As Earhart Search Continues

Legion Fourth Program Will Draw Crowds

Monday Show Will Start at 9:15; Auto Races Set in Afternoon

Fireworks and Dance at Night Will Wind up Big Annual Event

MONDAY'S CELEBRATION PROGRAM: FAIRGROUNDS 9:15 a. m.—Children's sports athletics, diaper derby. 10:30 a. m.—Dr. Bruce Baxter, speaker, patriotic exercises, flag raising. 11:30 a. m.—Dr. J. F. Hosch, speaker, patriotic exercises, music. 1:30 p. m.—Trial heats, auto races. 7:00 p. m.—Band concert, old time fiddler contest. 8:15 p. m.—Vaudiville. 9:15 p. m.—Fireworks. 9:30 p. m.—Carnival dance. Rides, concessions, music all day.

Salem will become a "ghost city" today, at least as far as the business section is concerned, and with the last tinkle of a cash register last night businessmen and employees made ready to spend the double holiday of the Fourth in various ways.

The city's observance of the 161st anniversary of Independence day will be centered in the giant 15-hour long celebration to be held Monday at the state fairgrounds under auspices of Capital post No. 9 of the American Legion.

Two entrances to the fairgrounds will be thrown open to the public early in the morning before the first scheduled event at 9:15 and from that time on, Salem people and valley residents will pour through the turnstiles to swell the celebration crowds.

Every taste as to what the Fourth's observance should be will be satisfied in the varied schedule of events lined up by the Legion committee in charge. There will be stirring band music, thrilling auto races, patriotic exercises and speeches, dancing, fireworks, and novelty events such as the diaper derby. Eight rides and concessions will operate on the midway.

Haxter, Hosch and Kuhn to Speak Dr. Bruce Baxter, president of Willamette university, will head an interesting array of speakers which includes Dr. J. F. Hosch of Bend and Mayor V. E. Kuhn. A lineup of diaper derby aspirants, some with practice, some without, will be at the starting line for that event at 9:15 a. m.

The dirt track at the fairgrounds will be chucked at 2:30 o'clock by wheelies some of the fastest gas buggies in the northwest, with top-notch drivers such as Jimmie Wilburn, 1935 champion of Portland, Swede Linkamp of Seattle, Les Anderson and Jimmy Miller, at the wheel. Four Salem-owned cars will compete, those owned by Charles Wiedick, Dassel Wilson and Clanda Walling.

The night show at the bandstand, with three hours of entertainment, will be climaxed by the largest fireworks program ever held here in some years, preceded by vaudeville acts, fiddler's contest and a band concert.

The uniformed Salem high school band will be on the grounds all day, presenting morning, afternoon and night concerts of music appropriate for the national holiday.

At 9:30 p. m., a gay fling will be written to the celebration with a dance on the midway at which the carnival spirit will be in order.

The American Legion's celebration this year is in charge of the following commission: Ray Stumbo, Glen Porter, Miller Hayden and Irl McSherry, secretary.

Dynamite is Hurlled at Train Near Steel Mill

Soviet's Drive On State Foe Hits Churches

Many Among 'Liquidated' Are Members; All of Denominations Hit

131 Executions Counted by Paper and More Under Arrest

MOSCOW, July 3.—(AP)—The soviet union's drive against enemies of the state today turned strongly against the church—Protestant, Catholic and Russian orthodox alike.

Official newspapers published warnings that churches were in league with fascism and capitalism, preparing imperialist wars and masking spies and wreckers under clerical garb. They declared many persons recently "liquidated"—which usually means executed—had church affiliations, and disclosed that others had been "condemned."

Churchmen were declared to have figured in spy plots for Germany, Japan, Poland and Estonia, and to have operated in the far east as well as near the union's western frontiers.

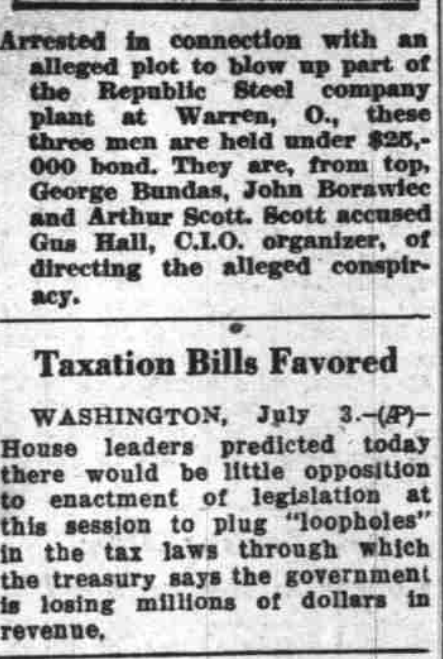
The newspaper Pacific Star of Khabarovsk, Siberia, recently disclosed there had been 131 executions of alleged spies and wreckers in the Russian far east in recent months. The "condemned" clergymen, it said, had been spies who "concealed behind priests' robes, actively prepared plots against officials of the state and the communist party."

Leonid Zakovsky, chief of secret police in the Leningrad area, who yesterday disclosed the arrests of at least 120 alleged spies (Turn to page 10, col. 3)

Seattle Paper Is Closed by Strike

All Editions Published on Saturday but Pickets Will Halt Monday

SEATTLE, July 3.—(AP)—A news service United Press, starting moving equipment from the Seattle Star plant late today after 80 Star employees, members of the American Newspaper Guild, struck in a jurisdictional dispute between the Guild and the Teamsters union.



Ohio Governor Sends Troops To Cleveland

Violence Feared Tuesday When Republic Plants Are Opened There

Mass Meetings to Show Strength of Strike Movement Slated

JOHNSTOWN, Pa., July 3.—(AP)—Gov. Martin L. Davey of Ohio announced tonight that national guard troops would be ordered to Cleveland for the scheduled reopening Tuesday of four Republic Steel Corp. plants while strike leaders in the 7-state steel strike area called for mass meetings for a "show of strength" tomorrow.

State police threw a heavy guard around Bethlehem Steel corporation's Cambria works tonight after the arrest of a former steel worker for allegedly hurling dynamite at a freight train leaving the plant.

Cleveland's Mayor Harold H. Burton and Sheriff Martin L. O'Donnell appealed to Governor Davey for state troops upon Republic's announcement of reopening Tuesday morning.

"Violence and disorder are certain unless proper steps are taken to prevent it," their request said.

The United Labor Congress, an organization of C.I.O. union locals, demanded late today that Mayor Burton refrain from sending police or requesting troops to break the strike.

Republic's four Cleveland plants have been closed since the start of the strike against Republic, Youngstown Sheet & Tube Co., and Inland Steel Corp., over a motion picture. The strike spread to Bethlehem later.

Arrested in connection with an alleged plot to blow up part of the Republic Steel company plant at Warren, O., these three men are held under \$25,000 bond. They are, from top, George Bundas, John Borawiec and Arthur Scott. Scott accused Gus Hall, C.I.O. organizer, of directing the alleged conspiracy.

Taxation Bills Favored

WASHINGTON, July 3.—(AP)—House leaders predicted today there would be little opposition to enactment of legislation in this session to plug "loopholes" in the tax laws through which the treasury says the government is losing millions of dollars in revenue.

association. Ideal Dairy company, Oregon City Creamery company, Sandy Creamery, Inc., Corvallis Creamery, Inc., and the Marion Creamery and Poultry company. The act empowered the agricultural director to establish prices. Plaintiffs stated the act created a condition of doubt and uncertainty among the members of the creamery associations and others engaged in the industry. Testimony showed the plaintiff companies processed and distributed annually 75 per cent of the butter in Oregon—about 22,000,000 pounds in a \$13,000,000 business.

Silverton and Sellwood Win Opening Game

Silver Falls Conqueror of Woodburn in Duel of Burch, Fallin

New Field Is Dedicated; Crowd of 3000 There for Ceremonies

SILVERTON, July 3.—(Special)—Silverton fans went home happy from the opening night of the state semi-pro tournament here after seeing the home town Silver Falls Timber company team defeat its natural rival, Woodburn, 5 to 3 in a pitcher's battle between Don Burch and Woodburn's Lee Fallin.

Sellwood defeated Molalla 10 to 2 in the opener after the 3000 spectators had seen the field dedicated and named McGinnis field in honor of W. L. McGinnis, manager of the Silver Falls ball club.

Mayor W. H. Moffett of Silverton cracked out a clean single over second base off L. H. Gregory's delivery to open the tournament event which will last for two weeks.

Don Burch, Silverton's veteran hurler, had his customary first inning trouble as one run scored but (Turn to page 10, col. 5)

Britain to Insist Rights Respected

Rearming for That Reason Is Warning; Freedom of Sea one Issue

LONDON, July 3.—(AP)—British leaders reminded a tense Europe today that Britain is rearmed to compel respect for her rights and interests and that violation of the territorial integrity of Spain or free access to the Mediterranean, included in those interests, would not be tolerated.

Prime Minister Chamberlain and Foreign Secretary Eden spoke to garden party audiences of their constituents, but their hearers believed they were addressing also the leaders of Italy and Germany.

Chamberlain, at Birmingham, declared one of his chief aims is to make Britain so strong "that nobody dare treat her with anything but respect."

Eden, at Coughton, in Warwickshire, gave warning that Britain is determined "to maintain the territorial integrity of Spain and keep the Mediterranean open as a main arterial road."

Eden declared Britain has the support of both parties in Spain in her efforts to maintain the integrity of that country.

Declaring the civil war was the outcome "of a prolonged period of weak government," he added: "In those troubled waters foreign elements of various kinds have had their fair share of fishing. Intervention has not been on one side alone, and has not been limited to the period after the war."

Both speeches were interpreted as leaving little doubt Britain would maintain a firm stand against yesterday's Italo-German (Turn to page 10, col. 6)

Fighting Planes From Carrier Lexington Will Join in Quest Of Flier; Radio Clues Doubled

Japan Army Still Keeping on Alert

Evacuation of Russians in Amur Vicinity Slated; Public Relieved

TOKYO, July 3.—(AP)—Japan's army in Manchuria, while halting the prospective peaceful settlement of the crisis on the river Amur, remained alert today to see that Soviet promises to evacuate the trouble zone are carried out.

Dispatches from Hsinking, Japanese military headquarters on the continent, quoted army leaders as warning that further "illegal acts" against the territory of Manchoukuo, Japan's protectorate, would not be tolerated.

Evacuation of Soviet troops and about 20 Soviet river gunboats from the region of Sennafu and Bolshoi, disputed islands in the Amur, was promised by Moscow to begin this afternoon. It was expected to end for the time being Russo-Japanese tension that reached its height Wednesday when Japanese artillery sank one Russian gunboat, caused another to be beached and a third to flee.

The Moscow pledge was given after the Japanese ambassador had assured the Soviet government there were no Japanese or Manchoukuo warcraft in the disputed reach of the Amur, border of Manchoukuo and Siberia.

Some Japanese leaders insisted Russia must give adequate guarantees against a repetition of Wednesday's clash, which arose over difficulties as to whether the river boundary runs and over possession of the islands.

However, most of Japan greeted the lifting of tension with manifestations of relief.

De Valera Nears Majority in Dail

DUBLIN, July 4.—(Sunday)—(AP)—With 41 seats yet to be filled, Pres. Eamon de Valera early today needed to win only 10 to get an absolute parliamentary majority in the Free State's election.

He also appeared to be winning his fight for a new constitution which would cut his country's last ties with Great Britain. At 2:50 a. m., \$2,219 votes had been reported in favor of the new charter and 264,638 against it.

De Valera's fianna fall party had won 50 of the 138 seats in the dail (parliament), Former Pres. William T. Cosgrave's party 30, labor ten and independents seven.

All cabinet ministers were re-elected to the dail.

Wicklow constituency voted against the proposed new constitution, as did one Dublin and two Sligo constituencies, while the vote in several others was close.

Boy Gravely Hurt In Hopping Train

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"Sorry, I'll never do it again," the lad told trainmen as they took him to a hospital. He said he tried to board the freight "just for fun."

Blotter Advertising Scheme Staged Here, Told in Court

How a dozen or so Salem business men lost money on a blotter advertising scheme shortly before the last legislative session was disclosed at a circuit court trial yesterday afternoon in which O. H. Stapp, who had been in jail since December 31, 1936, was ruled by Judge L. H. McMahon to be not guilty of a charge of obtaining money by false pretenses.

Stapp was charged specifically with giving a forged \$47.60 check to Sol Taylor in exchange for a watch and \$10 in cash. Reference to the blotter deal was injected by District Attorney J. J. Page.

Collected Money No Blotters Printed According to Stapp, he joined with a man named Fisher in a scheme to sell merchants advertising space on blotters to be passed among the legislators. He admitted \$20 had been collected from about 13 business men; Page asserted at least \$35 was taken in. The blotters were never printed nor the money re-

Naval Air Service Facilities to Be Utilized; Plane First Sent Is Forced Back by Snow, Sleet

Doubt Cast on SOS Signals Reported Heard From Missing Aviatix; Itasca Continuing Quest

ABOARD U. S. COAST GUARD CUTTER ITASCA, Howland Island, July 3.—(AP)—The Coast Guard Cutter Itasca returned to Howland tonight after an unsuccessful 23-hour search for the missing plane of Amelia Earhart and her navigator, Fred J. Noonan.

During the period between 10:37 a. m. Friday and 8 p. m. tonight (5:07 p. m. Friday and 2:30 a. m. Sunday EST) the cutter covered 8,240 square miles of water north and northeast of Howland Island. The search extended more than 100 miles away from the atoll.

The search will be resumed at daylight tomorrow morning, working northwest of the island. Later the cutter will search an area 200 miles westward.

HONOLULU, July 3.—(AP)—The navy tonight reinforced the faltering hunt for Amelia Earhart with the powerful aircraft carrier Lexington and 54 fighting planes in the face of discouraging prospects.

The Lexington was ordered to fuel to capacity and leave San Diego tomorrow for a 4400-mile run to Howland island and take up the quest.

During a day of slowly ebbing hope, a long-range navy plane left Honolulu for a 1500-mile dash to the scene but got caught in a snow, sleet and lightning storm high above the earth as it approached the equatorial region and was forced to turn back.

The coast guard cutter Itasca carried on the search alone in the Howland region where Miss Earhart and her navigator, Fred J. Noonan, presumably came down yesterday a few miles short of their tiny goal.

By mid-afternoon it reported it had scanned 3000 square miles of ocean without having sighted or heard from the missing fliers.

Recurring reports of SOS calls being heard from the helpless Earhart plane and friends but some of the leaders in the search expressed increasing pessimism over the possibilities of success.

Officials Skeptical About Radio Calls About distress and overlapping reports of distress calls made it difficult to sift them down to definite information but authorities were openly skeptical about some of them.

One of these turned out to be radio signals from the Itasca herself.

Although the weather in the vicinity of Howland island was reported in no wise unusual, word of the high altitude storm caused naval authorities here to dispatch four surface vessels along the route of the missing plane to guide it to a safe landing.

The Itasca, which had temporarily abandoned the hunt and returned to Howland island to serve as a base for larger operations, immediately began combing the area about Howland island where (Turn to page 10, col. 6)

1935 Marketing Act Ruled Invalid by Judge Kanzler

PORTLAND, July 3.—(AP)—The Mainemah circuit court held the Oregon agricultural marketing act unconstitutional in an opinion handed down today by Judge Jacob Kanzler, State Agricultural Director. Solon T. White and Attorney General I. H. Van Winkle, named defendants, announced an appeal to the supreme court may be taken.

Commerce Planes To Span Atlantic

BOTWOOD, Newfoundland, July 3.—(AP)—Two deep-hulled flying boats of bungalow proportions were groomed tonight to span the north Atlantic and link the world with the new on Monday by commercial air transport.

Responsibility Is Taken by Amelia

OAKLAND, Calif., July 3.—(AP)—Amelia Earhart accepted full responsibility for her latest flight, George Palmer Putnam, her husband, said today.

BALLADE OF TODAY by R. C. 'Twas July fourth, some three life-spans ago the colonies decided they would throw off despotic rule and form this nation grand; and so in quite our customary way we'll celebrate on Independence Day, the birthday of a free and happy land.