

Weather
Fair and warmer today and Wednesday, lower humidity; Max. Temp. Monday 89, Min. 44, river -5.1 feet, westerly wind.

EIGHTY-SEVENTH YEAR

U.S. Women, Children Flee From Shanghai

City's Workers' Pay Increase Hopes Dim as Budget Viewed

Estimates Run Far in Excess of Limitation

Unprecedented Slashing of Items Necessary; Committees Named

Small Boost for Public Employes Hoped for; Hard Task Ahead

Salem city employes saw chances for any appreciable salary increase next year dim rapidly last night as the citizens' budget committee at its first meeting received departmental expense estimates which, with pay restorations included, would run the budget \$65,658.77 above the amount permitted by the 6 per cent constitutional limitation.

Faced with the necessity of almost unprecedented slashing of the departmental requests, the general committee resorted to the procedure of dividing up the task among sub-committees. Nine committees named by Senator Douglas McKay, chairman, will study the estimates and report back at a meeting of the general committee August 30. The final meeting of the citizens' committee probably will be held September 7.

Slight Increase Declared Possible
Alderman David O'Hara, ways and means committee chairman for many years, said after last night's meeting that he hoped a small salary increase could be granted city employes but added that the 5 per cent boost which would restore them to pre-depression level would be impossible. The committee and council last year restored one-half of a 10 per cent cut made during the depression years with the understanding that the other one-half would be returned this year if possible. O'Hara estimated the 5 per cent increase in the new budget alone would amount to approximately \$17,000.

Last night's preliminary 1938 budget called for current expense items totaling \$318,439.10 as against \$240,585.22 appropriated for 1937. At the same time non-tax receipts were estimated at \$25,000, only \$1000 above the estimate for the present year.

The result was a new budget requiring a tax levy of \$293,439.10, after deduction of non-tax receipts, whereas only \$239,585.22 could be appropriated without violating the 6 per cent increase amendment. The 1937 current expense tax, on which the allowable 6 per cent increase for 1938 is based, was \$216,585.22.

And Bond Principal
Added to the current expense tax next year will be a \$115,861.45 tax for bond interest and principal, a reduction of \$1183.76 from the 1937 tax for such purposes.

Citizen Committeeman W. E. Hanson served notice that he was going to scrutinize the new budget closely because, he said, "this is the only day John Q. Citizen can come up here and get things off his chest."

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McNary Hopeful of Laws for Benefit of Flax, Hop Crop

Firestone, with its grassy sward, its trout pool, and its gylvan backdrop, was the Senator McNary's home from the national capital yesterday. Arriving in Portland they were met by Mr. and Mrs. Walter Stolz and brought to their home north of Salem, the three of them, Senator Charles L. McNary and his daughter Charlotte.

The cross-country trip by train did much to refresh the senator after the strenuous session of congress. The session is not yet finished, but the end is in sight; and the senior senator from Oregon who serves as leader of the republican minority, was granted permission to leave early.

Mandamus Is Invoked By Recall Group Here In Fight on Siegmund

Action Filed in Circuit Court Contends That 910 Rejected Names Are Valid, Seeks to Force Election; Outside Judge Will Hear

Efforts of the group seeking the recall of County Judge J. C. Siegmund to force U. G. Boyer, county clerk, to recognize as legal 910 names which were among 1211 he rejected from recall petitions filed with him reached circuit court yesterday when the recall committee was granted an order for writ of mandamus by Circuit Judge L. H. McMahan.

Zone Issue Again Placed on Table

Bonesteel Application Is Protested; Rail Spur Plea Fares Better

A number of signed protests against change of the Bonesteel property at 12th and Court streets from residential zone 2 to business zone 3 motivated the city council in session last night to postpone action indefinitely, on Evans' motion seconded by Mrs. Lobdell. The matter had been hurried along by giving it two readings.

Another request that fared better was the Oregon Electric railway spur construction on Front street at the Reid Murdoch packing plant, which was passed after rules had been suspended for a third reading.

The 1937 building code was rushed through likewise, but failed of passing last night because copies had not been distributed to council members.

Since the \$20,000 general bond issue of 1927 for the construction of an incinerator falls due October 1 of this year and there will be no money to meet it, the council was favorable to refunding the bonds at interest not to exceed 6 per cent.

A resolution to endorse the Schwellenbach-Allen bill for relief of the needy, especially discharged WPA sewing project women now in congress, was passed and a copy will be forwarded to the state's delegation in congress.

The new Seagrave fire engine recently purchased will get some new gadgets, notably several new

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Late Sports

WASHINGTON, Aug. 16.—(AP)—Henry Armstrong, 151½, Hollywood, outclassed Johnny Cabello, 129½, Puerto Rico, in the 10-round featured bout here tonight, winning a technical knockout in the second round when Cabello failed to answer the bell.

PORTLAND, Aug. 16.—(AP)—The Japanese wrestling duo of Don Sugar of Salem and Yetsura Higami of Japan defeated Noel Franklin, Portland, and Sam Moran, Chicago, in a team match headlining the middleweight card here tonight.

On the flax subsidy he is optimistic for continuance of benefits in future years. The hop bill he believes will pass in the next session, because of the prospect that growers, dealers and brewers will work out a program to deal with the situation. It may include higher tariff on imports.

Sen. McNary predicted that Sen. Black would be confirmed for supreme justice and Claude McColloch for federal district judge, but he said the supreme court enlargement bill of the president is absolutely dead. He quoted the president as saying no special session would be called before November. The Oregon senator discounted talk about a third term for Roosevelt.

Paper Rollers Win Marathon Playoff Clash

Kelly's Speed on Paths Ties up Contest and His Blow Wins It

Most Everything Occurs as Battle for Place in Tourney Opens

Kelly of the Papermakers made a bad error last night but he made up for it in such brilliant fashion that the Papermakers defeated Hogg Bros. 4 to 3 in 13 innings to take the first leg on their playoff for entrance in the state softball tournament.

It was Kelly whose surprising base-running feat of coming all the way home from second on a play at first base put the Papermakers back in the ball game by tying the score in the ninth inning. And it was Kelly again who drove in, in the 13th inning, the run that gave the Papermakers the ball game.

No one put a mark against him because he, thinking the game over with that run, went hopping about the infield like a madman until Johnny Steelhammer tagged him out, much to his surprise.

Hogg's far ahead in Bat Department
So Hogg Brothers, with their 11 hits, lost to the papermakers with their seven in a ball game in which a little bit of everything happened. There were bases empty and once even Dutch Schuette, usually the most amiable of men, nearly came to blows with Long John Steelhammer and again with Umpire Mickey Shultson.

Percy Crowfoot, the Papermaker hurler, performed the neat feat of striking out 19 men, something (Turn to Page 2, Col. 5)

Quest of Russian Aviators Delayed

Rains and Poor Visibility Prevent Search; Jim Mattern Is Ready

FAIRBANKS, Alaska, August 16.—(AP)—Heavy rains and lowering clouds late today halted at least until tomorrow plans to scour Arctic wastes north of here for the lost soviet transpolar plane.

Rescue parties and soviet agents here were heartened by reports from Moscow and Irkutsk, Siberia, that faint radio signals intercepted there indicated Pilot Sigmund Levanevsky and his five passengers were still alive.

From Edmonton, Alta., came information a plane chartered by the Russian embassy at Washington, D. C., left there Saturday and arrived last night at Aklavik, 1750 miles northwest of Edmonton.

The plane, piloted by Bob Randall, veteran northland aviator, accompanied by Engineer Jerry Buckan, was believed tonight to have started its search of the Arctic from its northern Canadian base.

Jimmy Mattern, American flier who was rescued by Levanevsky in Siberia on a 1935 flight, announced at 5:30 p. m. (PST) he would not take off today because of heavy weather. Mattern rushed north from Los Angeles over the week-end to aid northern searching parties.

His retreating plane took off from Los Angeles today, bound for Fairbanks.

State Theatre Due to Change Hands Sunday

Al Adolph Will Operate Showhouse; Is Well Known in Salem

Ed Lewis to Devote Full Time to Promotion for Vaudeville Agency

Ownership and management of the State theatre, 255 North Church street, will be taken over next Sunday by Alden E. "Al" Adolph, member of a pioneer Salem family. It was announced yesterday. Adolph will succeed E. C. "Ed" Lewis as proprietor of the theatre. He has taken a long-term lease on the building from the Capital Securities corporation, of which Donald A. Young is manager.

Lewis, relieved of duties in connection with management of the theatre, will take a more active part in promotion of the Eastern Circuit Vaudeville Agency, in which he has been interested previously. He will make his headquarters in Seattle. Mr. Young is also interested in the vaudeville agency which is extending its activities to serve the entire northwest, its territory including part of British Columbia.

Mr. Adolph announced that Eastern Circuit vaudeville would continue to play at the State theatre, and added that Mr. Lewis, with more time to devote to this business, was planning to bring a number of movie stars here for personal appearances during the coming slack season in movie production.

Policy of Theatre Won't Be Changed
Otherwise, Mr. Adolph said, the policy of the theatre will be unchanged and there will be no changes in the theatre staff. The theatre has available for picture (Turn to Page 2, Col. 4)

Officer Attempts Suicide; Suspect Was to Be Questioned on Robbery at Vancouver Loan Firm's Office

PORTLAND, August 16.—(AP)—Det. Sgt. John E. Schum of the Portland police department said that Deputy Marshal M. C. De Long, 38, shot himself on a downtown street tonight as police approached to question him about the robbery of the office of the Evergreen Finance company in Vancouver, Wash.

He was in a critical condition in a hospital. The robber entered the finance company office about 5 p. m., Schum said, held up the employes with a gun, bound them with adhesive tape and took about \$150 in cash.

Some of the employes, whose names were not learned, noted the license number of the robber's car and telephoned it with a description of the driver to the Portland police.

A check showed the license had been issued to De Long, Schum said. He said he and several other officers went to De Long's office and found he was not in. As they left, Schum said, he saw De Long about half a block away, and started toward him.

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Shanghai Battle Air Raid Victim



Rev. Dr. Frank J. Rowlinson, official of the American Board of Foreign Missions, one of three Americans killed Saturday when Chinese planes apparently by accident released bombs over the foreign settlement.—IIN photo.

Mills Close Over Inter-Union Fight

Seven Are Shut Down and Three May not Open Today, Forecast

PORTLAND, Aug. 16.—(AP)—Seven of the city's ten sawmills closed today when pickets from the building trades council, affiliated with the AFL, appeared following acceptance by the Portland local of the Lumber and Sawmill Workers' union Saturday of a CIO charter.

Approximately 2,500 employes were idle. The affected mills were the Jones, Inman-Poulsen, Clark & Wilson, Eastern - Western and West Oregon lumber companies, the East Side Box company and the Portland Lumber mills at St. Johns.

AFL workers also began circulation of petitions among the workers to bring them back within the organization.

"We're going to wage an active (Turn to Page 2, Col. 4)

Rival Unions Joke as Mill Reopened

TOLEDO, Aug. 16.—(AP)—AFL pickets and industrial employes' union workers joshed each other good naturedly as the big C. D. Johnson Lumber company plant reopened today.

The lumber and sawmill workers' union pickets began their parade Friday in protest to the signing of a working agreement with the I. E. U. The mill, which operates only four days a week, was closed Friday and Saturday.

The company's logging camp near Siletz was closed today, 350 AFL employes having walked out in sympathy with the union's mill hands.

M. H. Mumford, IEU official, told about 500 members employed in the mill that the company intended to operate the plant on a 24-hour basis as usual.

Softball Girls of Portland Win out

Swatting the offerings of three Pade's girl's team pitchers for 20 hits a Portland girl's softball team turned in a 19 to 4 victory in an exhibition game on Sweetland field last night.

It was the first girl's softball game ever played under the Sweetland field lights but the Salem lassies, who were held to four scattered hits, could not complain of being dazzled by anything but the opposing pitchers' speed.

Nine Pade errors contributed to the debacle. Score: Portland 19 20 3; Salem Pade's 4 4 4 9. Dick, Burg and Frost; Yocom, Gueffroy and Welch.

Battle Moves Into Fifth Day Without Decided Advantage

Casualties Are Heavy but no Figures Possible; Explosions Quake-Like in Force Rock Bombarded City

Evacuation of Americans Goes Ahead Rapidly; Shell Strikes Navy's Tender but no One Wounded

SHANGHAI, Aug. 17.—(Tuesday)—(AP)—The men of China and Japan fought on and died today in ceaseless, heedless battle that rocked and tore at Shanghai and this tragic city's way to safety to the sea.

Between them, the twisting Whangpoo, a flare-lit river by night and a murky menace by day, carried American and other foreign women and children to the broad, safe decks of liners that flew their flags.

There was no way accurately to estimate the dead and dying that have littered the outlying scenes of war since misplaced Chinese aerial bombs killed more than 1,000 and wounded even more than that in the international areas on Saturday. Neither side admitted many dead.

This was the fifth day of this strange battle of Shanghai, which shifted from the struggle for an economic grip on the northern provinces and death successive blows to Shanghai because the Japanese filled the city with warships and bluejackets and the Chinese army sent troops swarming in—contrary to the truce of 1932. In that year, some 12,000 fell in Sino-Japanese warfare here.

Today and last night, facing both ways from the Whangpoo, Japanese warships atop and marines ashore locked in desperate combat with ever-growing Chinese armies smashing at their lines from north and south; planes flew and fought en masse; the sky was dark with the glow of explosions.

Shanghai rocked to explosions, some of quake-like force. Night skies were brilliant as both sides sought to light the grim combat below. Ghostly starshells flared over a bitter land battle north of international Shanghai. Searchlights from Japan's powerful naval force on the river picked out objectives for the big guns that pounded Chinese ashore throughout the night. Tracer bullets streaked across the clouds.

This beautiful and awful spectacle stretched along a front of some 30 miles, from the Yangtze to the north to well south of the (Turn to Page 2, Col. 8)

A clash between Senators Dieterich (D-Ill.) and Burke (D-Neb.) culminated when the latter charged physically upon the bulky Dieterich, only to be restrained by other senators.

Burke had proposed that the committee summon Black before it for questioning on his constitutional views, and about his seizure of private telegrams when he was head of the senate lobby investigators.

Angry Dieterich, without mentioning names, had declared that committee members had attempted to "besmirch" Black in the newspapers by trying to link him with certain organizations. There had been reports that senators might seek to determine whether Black was once supported by the Ku Klux Klan.

After a committee session, the fight was renewed on the senate floor. (Turn to Page 2, Col. 3)

Salem Girl Pays Store for 'Souvenirs' Taken

EUGENE, Aug. 16.—(AP)—Conscience won another battle today when a Salem girl sent a dollar bill to a "dime store" to cover the cost of a "few souvenirs" taken from the Eugene store four years ago.

"I see my mistake now. The principle of the thing was wrong," she commented.

Salem Infantry Company to Leave Today for 'War Zone'

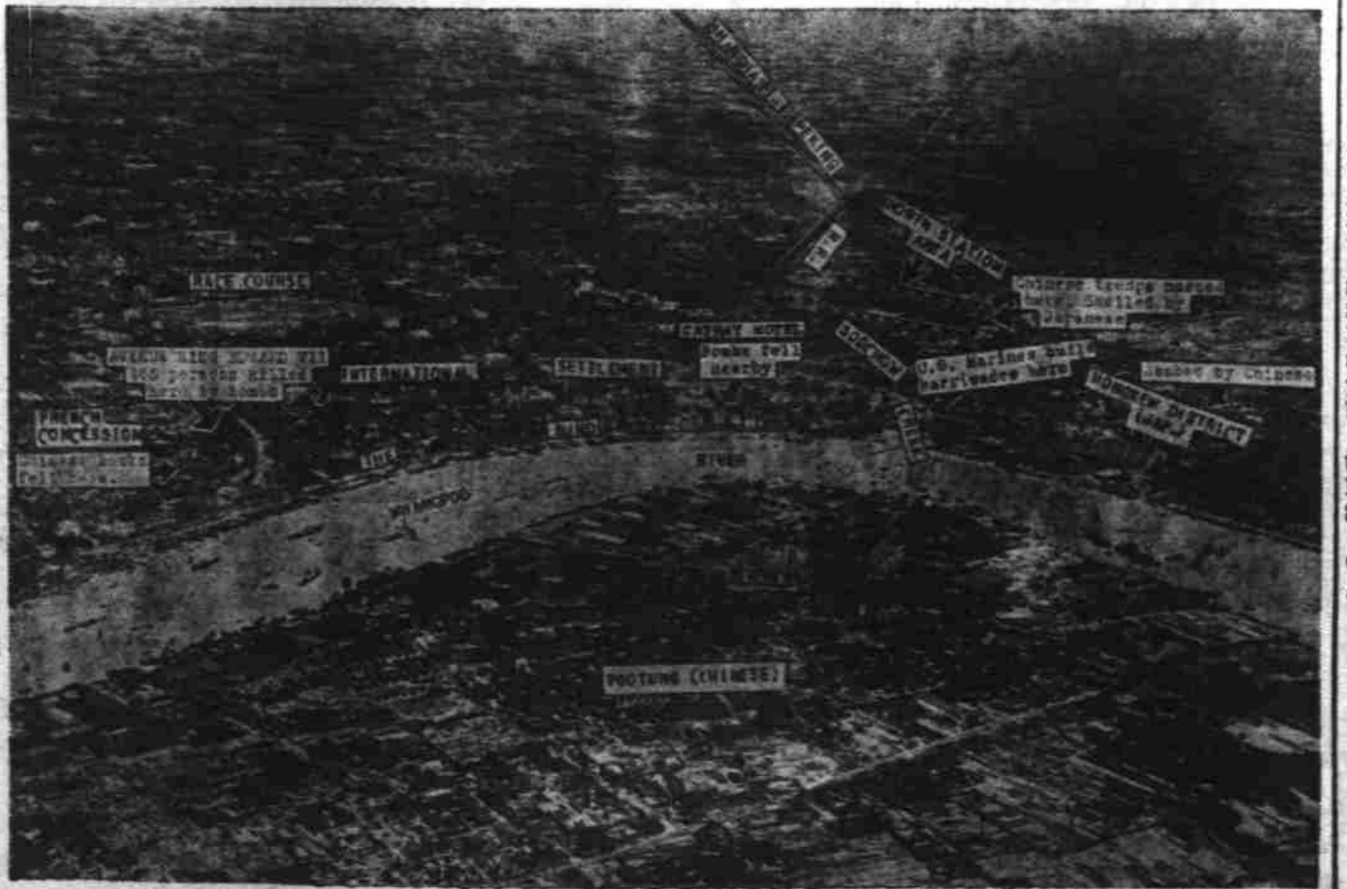
Salem's military forces called to duty in the largest peacetime "war" in the history of the northwest, the Fourth Army maneuver at Fort Lewis, Wash., will depart this morning, entraining at 10:30 o'clock aboard troop train No. 12 which will be made up at Eugene and pick up troops and their equipment as it proceeds northward through the Willamette valley.

Company B, 162nd infantry, will be the only Salem unit participating, the local utility forces having previously undergone the usual training period at Camp Clatsop.

Captain Harold G. Maison of Company B said the company's destination was Fort Murray, adjoining Fort Lewis. The company of 60 men and two officers is at full strength. First Lieutenant Dow Lovell will accompany the unit; but Second Lieutenant John George will not participate as he is a member of the Oregon rifle team which left recently for the national matches. The Fourth Army maneuver, with simulated warfare involving 15,000 men, opens August 23. Prior to the commencement of active field operation will be a period of intensive training. For the Oregon troops this will start Wednesday, the day following their arrival in camp. The majority of red army troops are already at the maneuver area, where they have been in training for some weeks.

The review is set for 2 o'clock in the Fort Lewis reservation and (Turn to Page 7, Col. 8)

DESPERATE BATTLE RAGES AT SHANGHAI



Aerial view of Shanghai with various locations figuring prominently in the Sino-Japanese war news designated. The Whangpoo river is utilized both by the death-dealing Japanese warships and the vessels which are evacuating American and other foreign women and children.—IIN photo.