No. 137

EIGHTY-SEVENTH YEAR

Salem, Oregon, Friday Morning, September 3, 1937

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Chinese Shells Again Imperil US Vessel

City Budget Balanced, No Salaries Restoud

Changes When Citizens Meet Still Possible

Income Estimate Lifted to Eliminate Paper Deficits Faced

Faction Seeking to Put in Doubtful Sum and Boost Pay, Loses

CITY BUDGE" ADOPTED BY CITIZEN COMMITTEE

Current expenses \$264,515.60 Less non-tax receipts 35,000.00

Current expense tax \$229,515,60 10,600.00 Fire tax .10,955.00 Street tax 115,531.45 Bond expense Total special tax \$137,086.45

Total 1938 city tax Tax increase over 1937. \$12,636.62

Close voting and a caustic word war ended in adoption of a Salem city budget for 1938 topping the \$400,000 mark last night but the citizen-alderman committee refused to grant demands for salary restorations.

An opening attempt to balance the budget, which was \$5,185.27 in the red, by Alderman David O'Hara was interrupted immed- Educator Has Saber Mark iately by Alderman Edwin C. Goodenough, who led the unsuccessful drive to restore city employes' salaries to the pre-depression level.

Goodenough was defeated on a voice vote co a proposal to insert in the estimated non-tax receipts item, which offsets the current expense tax, \$10,000 representing interest and penalties on delinquent taxes which he contended were due the city from the county. He said \$9,308 was the exact amount required to add 5 per cent to all city workers' pay. He suggested as additional revenue allowable increases totaling \$4,000 in esti-mated treasurer's and recorder's receipts.

Balance Achieved In Three Motions

Three quickly adopted modions that balanced the budget followed, as proposed by O'Hara and Citizen Committeeman R. D. Slater. To achieve the balance, the committee increased recorder's estimated receipts to \$10,000, treasurer's to \$11,000, dog license fees to \$1,500 and gasoline tax refunds to \$2,000, for a total gain of \$4,000, and then deducted from the expense budget \$1250 which Committeeman T. C. Peerenboom and Rerates. The result was a budget with a \$64.73 cash balance. The salary issue blazed again

when Aldermen Fred A. Williams and E. B. Perrine sought unsuccessfully to adjourn the meeting and O'Hara followed with a hotly debated motion to instruct the recorder to publish the budget and call the annual taypayers' meeting for October 18.

"I'm objecting to adjourning this meeting till the question of salaries is given further consideration," Goodenough shouted. "These wages can be restored. The question is do you gentlemen

Goodenough pleaded for at (Turn to Page 15, Col. 1.)

Chicago Theatres Bar Children Due To Dread Disease

City, strict

To Suc County

About \$10,000 Is Owed to

Salem and \$7500 to

Schools, Stated

Figured; Teacher Pay

Issue Cleared up

terest and penalties on delin-

city and school district treasu-

ries, it appeared yesterday.

Preparations for instituting a

joint law suit, if necessary, to

(Turn to page 9, col. 3)

Reservoir to Be

Rush Job to Be Ended

Tonight, Forecast

Fairmount reservoir will be

connected to the Salem-Stayton

gravity water supply pipeline

within a few days as a result yes-

terday of WPA crews' breaking

through the last barrier in the

500-foot pipe tunnel drilled and

blasted through rock under Rural

avenue from Fairmount avenue

Six feet high and five feet

The last of the night shift

steadily on the tunnel for nearly

two menths will work tonight,

G. R. Boatwright, WPA resident

engineer, said yesterday. At times

three eight-hour shifts per day

Approximately 200 feet of open

trench leading from the western

tunnel portal to the reservoir in-

take structure has already been

As Plane Crashes

CLEVELAND, Sept. 2-(P)-Lee Miles, Fort Worth, Tex., speed

flier, was killed late today on

the eve of the opening of the na-

he tore off a wing and crashed

his special racer on a test flight

at Cleveland airport. His ship crashed from an alti-

tude of 10 feet, it was announced

at the administration building of

Miles' body was pulled from

the wreckage of his ship about a

half hour after the crash. His

plane did not burn, airport offi-

cials said. They believed the flier

had the foresight to pull the

switches when he found he was

air racing game for many years,

was rounding a pylon at the north end of the field at low altitude in his speedy low-wing ship when, spectators said, one wing was

Miles, a figure in the American

the Cleveland airport.

were worked on the project.

made ready for pipe laying.

westward. The barrier was re-

wide, the tunnel passes almost

entirely through rock, much of it

moved at 11 a. m.

CHICAGO, Sept. 2-(P)-The-aters barred children under 16 today in a new move to stem the spread of Infantile paralysis.

Playgrounds and wading pools also were closed as the crippling disease attained the highest incidence of the current outbreak in the nation's second city.

Dr. Herman N. Bundesen, president of the board of health, announced 12 new cases had, been reported today-the greatest number for one day since the onset of the malady. Two babies died.

Supt. George T. Donoghue of the Chicago park district ordered suspension of the operation of 83 playgrounds, 55 wading pools and three toy-lending libraries. Similar precautions were

adopted in Omaha, City Health comm. Floyd Kinyoun cantwo parades - one planned to honor the national amateur golf champion, Johnny Goodman. Six new cases there raised the total to 84 since May 1. Deaths numbered

Wankesha, Wis., officials decreed children under nine must avoid school and public gatherings until mid-September. A woman succumbed to the disease there.

Refugees Arrive, Tell War Thrills

on Helmet; Shot Down Attacker, He Says

SAN FRANCISCO, Sept. 2-(P). The Dollar liner President Taft, first vessel bearing refugees from wartorn Shanghai, drew into San Francisco harbor today with a jammed passenger list of 457. About 70 were actual refugees, who fled Shanghai August 16, two days after the bombing of the Cathay and Palace hotels.

Most vivid was the story of Dr. I. Levitas, director of education at Kansas City, Mo. His tropic hetmet bore the mark of a Japanese sabrethrust, received while fighting to protect the British concession at Tientsin.

The mild-mannered doctor of

(Turn to page 9, col. 5)

Shipping Periled By Union Quarrel Speed Flier Dies

SAN FRANCISCO, Sept. 2-(AP) -The old spectre of port paraly-sis loitered today behind the stiffening lines of a CIO-AFL corder A. Warren Jones said would be sed through reduced industrial accident insurance accident insurance accident controversy here which suddenly was dumped into the lap of the

Waterfront authorities began marshalling all available cargo space in the bay area to hold goods in shipment pending settlement of the dispute, in which AFL teamsters stopped trucking to and from the docks in an effort to force a showdown with the CIO over the status of 75 "locked out" warehousemen, allies of the John L. Lewis organization.

The CIO-affiliated Warehousemen's union filed charges of discrimination and unfair labor practices against the California Packing corporation, former employer of the 75 workers who had been off their jobs since last

Girl Paralysis Victim Dies Despite Race With Iron Lung

DENVER, Sept. 2-(P)-Maybelle N. A. Vicklund, interne acting as Outcalt, 15, died today despite a the hospital's house physician, race by transport plane and streamlined train which brought two artificial lungs from Toronto and Chicago to aid a determined fight against infantile paralysis. Her death, swift and sudden but not unexpected, came in an "iron lung" less than 11 hours after the first artificial lung, rushed by plane 1900 miles from Toronto, reached Steele memorial

Maybelle was one of two girl infantile paralysis patients in Steele hospital depending on the fantile paralysis last Tuesday, 10

suffering the same attack of the paralysis upon her chest muscles as Maybelle, rallied however, while the older patient sank.

Only attending nurses and Dr. tered on their daughter and little lished, but that has changed in the past few years and the natives themselves run their own churches without too much outside assistance from the mission-aries."

(Turn to page 9. col. 6)

were present when Maybelle died. Dr. T. L. Williams said Maybelle suffered an "extraordinary acute" attack of infantile paraly-

"Everything that was possible to be done was done. It was not Dr. Williams reported oxygen was administered to her through

PORTLAND, Sept. 2-(AP)-The Rev. E. B. Ward, recently returned from China, today told delegates to the 84th annual Oregon session of the United Brethren church that Chinese people now practically control the country's

Astoria Labor Split; Charter Lost, Regained

Members · Vote

For Taxes Due to Protect Them

walked out.

Interest and Penalties The Marion county court will soon face a demand for payment of approximately \$17,500 in inquent taxes of the years 1933 tion of CIO delegates. and 1934 held due the Salem

About 40 CIO council members hooted Osborne and left the meeting, stating their intention of forming a separate organization. Kizer, head of the powerful Warrenton local of the sawmill and timber workers' union, resigned his post as council president and joined the bolting group. The Warrenton local is affiliated with

PORTLAND, Sept. 2-(AP)-Enlistment of 137 special officers, hired by the CIO millworkers and supervised by the Portland police department, followed today tightening of the AFL boycott and more minor disorders in the CIO-AFL sawmill dispute here. The guards will ride tomorrow

Signal Operation Delay Is Planned

extremely hard. Through it will run the 30-inch welded steel crews which have been working

might start Saturday.

Girl Wounded as Liner Is Bombed

girl and Pomona college stu-

shrapnel when the liner Presi-

Autumn Heralded:

lit showcase was a center of ad-

miring throngs as the window

At the same time two street

money" was honored, began, attracting approximately 4000 bid-

ders and on lookers. Competition

First article sold was a hunting

Ben Sudtell of Albany and (Turn to page 9, col. 2)

their finest fall wares.

AFL Recognition Taken Away Because CIO

Special Officers Hired by Portland Workers

ASTORIA, Sept. 2-(AP)-The Astoria central labor council lost its AFL charter tonight and received it again after CIO sympathizers, including President Roy Kizer and nearly half the total membership.

Ben Osborne, secretary of the Oregon State Federation of Labor, acting on authority granted in a telegram from President William M. Green of the AFL, revoked the charter, charging that the council's transacted business, including affiliation with the Oregon Commonwealth Federation, was illegal because of the participa-

Connected Soon Following the walkout, Osborne complied with the request of the remaining members that the charter be returned. Tunnel Is Completed and

Articles Sell as High as 52,000 in "Phonies"; Thousands Attend Fall was ushered in last night by Salem residents in downtown streets as the Ad club's annual fall opening took place as sched-

(Turn to Page 15, Col. 6.) Promptly at p.m., Sch store window was unveiled revealing

Salem's traffic signal system will probably be ready for use next Monday but present plans of city officials are not to place auctions at which "phoney them in operation until after the Work of installing the master

control box at police headquar- was keen among bidders and pricters was begun yesterday. Harley es ran so high that the person L. Bosler, local contractor in bolding less than a sizeable wad charge, said testing of the system of "phonies" soon dropped out.

Because the police force does not have enough officers ade- Chemeketa and Commercial quately to police each of the six streets, for 6000 "bucks." Highest intersections at which the signals prices paid were 52,000 "phonies" have been set up, Mayor V. E. for a club chair, and a radio sold Kuhn said he did not believe an at 42,000 "bucks." A sack of flour attempt to operate the system brought as high as 10,000 "phonwould be made until fair week ies.

Are Sought by English Ships

Reinforcements Sent to Mediterranean With France in Accord

Attacks Upon two Naval Craft Climax Series of Queer Events

LONDON, Sept. 2-(AP)-British naval reinforcements sped into the western Mediterranean tonight with guns ready to thunder Great Britain's answer to mysterious submarine and airplane attacks on British ships. The cabinet decision for more

warships in the trouble zone off the coast of Spain was made with the full concurrence of France. Both nations also were agreed on France's suggestion, to bring the issue before the League of Nations council at Geneva late next

Public opinion in both nations, inflamed by newspaper reports Jean Cowen, 17, San Francisco and official intimations that Italy is responsible for the increasingly dent, struck on the arm by frequent raids on neutral merchantmen and warships, was bedent Hoover was bombed relieved to be nearing the limit of cently during the Shanghai its patience.
battle. —IIN photo.

Molestatio Molestation of shipping on Britain's empire "life line," and especially off the east coast of

Spain, was capped by mysterious submarine attacks on the British destroyed Havock and the British Auctions Popular tanker Woodford. Depth Charges May Have Sunk Attacker

> from an unidentified submarine off the Spanish coast Monday night and loosed depth charges that may have sunk the submar-The Woodford, fired on in near-

The Havock dodged torpedoes

by waters a few hours later, was sunk. Her second engineer was killed. The rest of her crew of 32 head of anti-Japanese movement" brought ashore six wounded seamen in open boats.

Prime Minister Neville Chamberlain, stung into action by the bright new merchandise in the dangerous situation, was underautumn mode. Every brilliantly stood to have ordered a full cabinet meeting Septemb 8. Au- ties, minesito and selyukai, which thoritative sources said Britain's in a national mass meeting adoptdressers, working for the past two Mediterranean war fleet was ed a resolution declaring that (Turn to Page 15, Col. 4.)

4H County Stock Show Will Start

The largest 4H club livestock show ever to be held by Marion county's branch of the organization opens today at the state fairgrounds for a two-day stand, Wayne Harding, county club leader, announces.

Two hundred head of sheep, hogs, dairy and beef cattle owned Winning entries are to remain for the fair next week to enter contests being held then. The show is scheduled to begin

at 10 o'clock this morning. Judging contests and judging of sheep will follow. Hogs and dairy and beef cattle will be judged Satur-Marion county Future Farmers

of America will also stage a show of farm machinery and livestock today and tomorrow. The annual picnic of the county 4-H clubs with members, friends and parents, will be held this noon on the

Byers Injured as Cycle Hits Ditch

Wayne Byers, Silverton, received lacerations and bruises where he rode his motorcycle into ditch to avoid hitting a train at the McNary crossing near Brunk's Corners last night.

Byers, who is employed at the Lakebrook hop yard, was brought to Salem by a passing motorist and received first aid treatment

Late Sports

PORTLAND, Sept. 2-(AP)-Portland baseball fans saw their coast league entry win its first victory in 11 home games tonight when the Beavers landed on Don Osborn of the Seattle Indians for 12 hits and won, 11 to 3. The Beavers opened up on Osborn for five runs in the first

inning and from then on it was no contest. Osborn was wild throughout. Bedore hit a home run in the eighth with two on.

The victory closed the gap sep-arating last year's champions

Mystery Subs Fall Near Augusta As Nippon Cruiser Nearby Bombared

Air Raid Upon Kagoshima on Japanese Island Is Reported but Denied; 72 Russian Planes Arrive

British Fail to Heed Warning Anent Raids Near International Area; **Fighting Near Marines' Lines**

SHANGHAI, Sept. 3—(Friday)—(AP)—Chinese shells fell dangerously near the cruiser Augusta, flagship of the United States Asiatic fleet, today in a heavy bombardment directed at the Japanese cruiser Idzumo.

to Peace, View: Peace

Groups Here Active

The parties, on the eve of the emergency session of parliament

which will convene tomorrow to

vote more funds for the war in

cluding use of private capital.

WASHINGTON, Sept. 1-(AP):

six peace organizations acting in

(Turn to page 9, col. 6)

Plane Gets Start

LOS ANGELES, Sept. 3-(AP)-Jacqueline Cochran, New York

aviatrix, soared into the air at

first of nine speed pilots to get

Thousands of cheering avia-

tion enthusiasts, jamming Un-

ion air terminal and massed in

automobiles on roads for several

B. Odlum of Wall Mreet, lead

her eight male rivals at the

E. C. Sundorph, of Cleveland, flying a plane of his own de-

sign, with John Yost as co-pflot,

transcontinental race.

12:20 a. m. (PST).

First Bendix Race

ncert renewed their demand to-

chastised."

Giant howitzers in Pootung, industrial section across the Whangpoo river from the international settlement, burst o into action at 10:48 a. m. today Japanese Seeking

(6:48 p. m., PST Thursday) against the battle-scarred Idzumo. Many of the shells fell in the To Restore Amity Whangpoo between the American and Japanese flagships.

Widespread fires blazed on land points struck by the bursting The barrage followed the open-

Chiang Greatest Obstacle ing of a guerilla campaign by Chinese snipers concealed along the Pootung shore, opposite the Augusta, against Japanese war-TOKYO, Sept. 2-(AP)-Japan's ships and war planes which have main objective in her undeclared been harrying the area. war with China, Foreign Minister Other sharpshooters peppered

Koki Hirota told foreign newspaaway at Japanese destroyers farpermen today, is elimination of ther down the Whangpoo off the the anti-Japanese elements" that Woosung shore and along the dominate the present Chinese gov- Yangtze river, near Paoshan, ernment and "establishment of causing little material damage cooperation between China and but keeping their enemy discomfitted and on the alert. He named General Chian Kai-

Chinese circles earlier were electrified by unconfirmed re-Shek, premier and head of the Chinese armies, as "the spearports that Chinese bombing planes had flown to Japan and bombarded Kagoshima on the in China and indicated Japan wanted to destroy his Nanking resouthern island of Kyushu. (The navy office in Tokyo of

ficially denied these reports.) Hirota's call for destruction of Well authenticated reports the Nanking government was said the Chinese airforce had echoed by the major political parstruck telling blows closer to home, with punishing raids against the Japanese forces which have gained a footing on General Chiang's regime must be the southern bank of the Yangtze overthrown and "China must be

Chinese bombers from west of Soochow caused their bases unscathed. Chinese planes also bombed

China, also voted unanimous supthe airbase the Japanese army port for the wartime policies the recently established on Tsunggovernment will ask parliament mind island, in the Yangtze es-These include rigid government The Chinese aerial activity was control over almost the entire economic fabric of the nation, in-

reported seriously dislocating Jajanese plans to land a huge expedition along the Yangize shore for a push inland, Japanese officers continued to say the big offensive was about to begin, but the zor hour was not revealed. They said 200 big guns were

being landed, to blast a way through the Chinese defenses. Late Thursday Japanese bombers continued to operate close to the American marines' and British infantry defense lines in Shanghai's international settle-(Turn to page 9, col. 6)

Dearborn Winner 12:04 a. m. (PST) today, the Of Golfing Award away in the \$28,000 Bendix

SPOKANE, Sept. 2-(AP)-Memmiles around, saw "Jackie," Portland, Ore., for their 1938 Pawife of multi-millionaire Floyd cific coast convention city tonight and closed the present meeting with a banquet. R. H. Bearborn of Corvallis,

Ore., won the engineers golf cup on a roll of the dice after he had tied with Charles H. Cutter of Sewas the second to leave, at attle and C. C. Boozier of Port-

Hongkong Typhoon Toll Over from the fire department first aid squad. His injuries were not 500, May Run in Thousands

HONGKONG, Sept. 2 - (P) - A by the dangers of the Chinese 125-mile-an-hour typhoon roared Japanese war raging to the north across Hongkong and the nearby teeming Chinese coastal communities today, exacting a death toll which officials believed to be at least 500 and feared might run into the thousands. Huge ocean liners were hurled

aground, fires spread by the gales swept through congested Chinese quarters of Hongkong, trapping many in their homes.

There was heavy loss of life among thousands of Chinese who live on small boats when their Mausang and the Boong Court floating homes were dashed and the Chinese Queton were

from their storm moorings and hurled aground were the Japanese trans-Pacific liner Asama Maru, 16,975 tons, and the Italian luxury liner Conte Verde, 18,765 tons, one of the finest ships plying between Europe and the far east. It was believed both could be refloated.
The 4,552-ton Dutch passen ger ship Van Heutsz was a total

against the Hongkong seawall or reported sunk, as was the Ru-Orcky costs and smashed to bits. nan, carrying 1,200 Chinese Distress calls from foundering refugees from Shanghai. At least hips raised fears the loss at sea 20 ships are believed to have

sheared off by the tremendous besting of the wind, and the machine plummeted into a grove of trees adjoining the airport.

enough, that's all," he said. last night and today while she
was kept constantly in the hospital's ton-and-a-half "iron lung."
Maybelle was stricken with in-

Natives Control Church in China

The missionary declared Chinese were, not long ago, "so illitermountain area's only iron lung days after her brother, George, 17, ate and helpless that they were until the two respirators arrived in Denver this morning.

While dramatic attention centhurches the Missionaries established, but that has changed in

Day Before Races Musically-Named Soong Sisters Play Important Roles in China



unable to take charge of the churches the Missionaries estab-China today. They have names like the echo of temple belis—Mei-Ling, Ching-Ling and Ai-Ling. First named, Mei-Ling, is Mme. Chi-ang Kai-shek, wife of the Chinese dictator; Ching-Ling is the wi-dow of modern China's hero, Dr. Sun-Yat-Sen, and Ai-Ling is the wife of Finance Minister Kung, who holds the purse strings of China.

The great wind carried de-struction in Hongkong har-bor was especially great because the port was jammed with ship-ping of all descriptions held here

Ships raised fears the loss at sea would be heavy.

Destruction in Hongkong har-bor was especially great because the port was jammed with ship-ping of all descriptions held here

(Turn to page 9, col. 6)