

State Fair Looms
Much useful and interesting information about the state fair will appear in The Sunday Statesman and in issues during fair week.

Weather
Unsettled with occasional showers today and Sunday; southwest wind off coast; Max. Temp. Friday 68, Min. 52; river -3.1 feet.

EIGHTY-SEVENTH YEAR

Lewis Threatens Election Day Reckoning

Chinese Thwart Japanese Drive; Punitive Offensive Threatened

Intensive Fire Forces Troop Ships' Flight
Counter-Offensive Likely to Bring War Back to City's Front Door

Shells Burst Around US Cruiser, Hit Marine Barracks Roof

SHANGHAI, Sept. 4--(Saturday)--(AP)--Japan's formidable war machine around Shanghai was stalled today by a vicious Chinese counter-offensive, but its leaders declared it would strike again soon with increased ferocity.

The Japanese threat proclaimed by the imperial navy's third fleet, promised fresh perils as great as any this stricken city has faced in the three weeks bloody but undeclared war has surged through and around it.

Already the war had returned with renewed destructiveness and danger to foreign lives and interests within International Shanghai as the Chinese struck effectively with artillery at Japanese naval concentrations on the Whangpoo river, Shanghai's outlet to the sea.

Attempts to land troops frustrated. Eight Japanese troopships fled down the river to escape destructive Chinese gunfire. At Pootung, just across the Whangpoo from Shanghai, and elsewhere Japanese attempts to land fresh troops or advance those already landed were stopped.

Neutral authorities agreed the Chinese counter-strokes had disarranged the heralded Japanese plans for a big offensive in the Shanghai area and necessitated complete revision of Japanese strategy.

The Japanese naval announcement indicated it would quickly as punitive action which would "terminate Chinese activities in Shanghai."

Chief result of China's renewed attacks was to bring the war back to Shanghai's front door. All day Friday and through the night it raged over the heart of the harbor, with the United States flagship Augusta and other foreign warships in line of fire.

Early today, flames were licking through Pootung and other areas already badly burned over, their glare silhouetting the Japanese and foreign men of war on the Whangpoo.

French military and consular authorities, however, prepared to protect the departure of 450 refugees, including many Americans, who were to be taken down the Whangpoo early today to board the French liner Splinx, bound for Hongkong and southern ports.

The river battle presented grave perils for passenger tenders, but the French bluntly notified both Japanese and Chinese they expected hostilities would be "withheld" during the evacuation.

Police of the international areas estimated fifty persons, including half a dozen foreigners, were wounded by shells, apparently from both sides in those areas Friday. There were no American casualties.

A projectile struck the roof of the U. S. marine barracks, but failed to explode. Shrapnel burst about the flagship Augusta many times. A big shell burst at the corner of the Bund and Peiping road.

Greater danger to American and other foreign warships was indicated. A Japanese navy spokesman said its vessels, rather than continue to submit to heavy pounding from the Chinese land batteries, would shift into positions from which they could reply effectively regardless of the dangers to which foreign men of war might be exposed.

Singer Resting After Operation

HOLLYWOOD, Calif., Sept. 3--(AP)--Grace Moore, screen singer, was reported resting comfortably tonight following an abdominal operation.

Wife of Willamette Graduate Forced to Flee From Peiping



Mrs. Paul Homan, shown leading the way to the embassy auto, while George Merrill, attache at the American embassy at Peiping, follows with her suitcase, is the wife of Dr. Paul Homan, who was graduated from Willamette university in 1914.

Dr. Homan, now professor of sociology at Cornell university, was also in Peiping and was forced to flee the city with his wife. His father, Fletcher Homan, was president of Willamette from 1908 to 1914, according to Professor Herman Clark, who was a classmate of Paul Homan.

Britain Moves to Stop Sub Attacks

LONDON, Sept. 3--(AP)--Great Britain led the way tonight in Europe's efforts through naval might and diplomacy to end mysterious submarine attacks on Mediterranean shipping and their threat to the continent's peace.

The British government announced it would "submit important proposals" at a conference of Mediterranean powers next week at Geneva. The proposals were not disclosed.

The statement was made while four additional destroyers sped into the western Mediterranean with orders to capture or sink the submarines.

Words Deleted in Speech by Lewis

WASHINGTON, Sept. 3--(AP)--Some of the phrasing John L. Lewis intended to hurl in his broadcast address tonight proved too strong for Columbia Broadcasting system and radio officials felt it was imperative to censor his remarks.

They announced that at their "suggestion" Lewis agreed to leave out a word in one passage of his text, and a whole paragraph in another.

The single word was an adjective applied to Governor Davey of Ohio, and the paragraph excoriated one of Lewis' principal foes, Tom Girdler, president of the Republic Steel corporation.

Fuller Sets New Flying Mark in Trans-Continental Race

CLEVELAND, Sept. 3--(AP)--The nation's most famous air derby--the Bendix trans-continental race--wrote a new high figure for sustained speed in American long distance competition today and smashed another record of three years' standing.

At a pace of 258 miles an hour, Frank Fuller, San Francisco sportsman, streaked his way to a mark of seven hours and 55 minutes for the 2042-mile course between Burbank, Calif., and Cleveland, topping Jimmy Hall's five-year-old record by 24 minutes.

Fuller's feat came just a couple of hours before a crack German stunt flier, his plane gradually losing speed as it skirted the ground upside down, crashed before fearful spectators.

Injured Flier Says He'll Be Back Soon
The airman, Count Otto Hagenburg, crawled from the wreckage of his head bloody, and waved to the crowd at the first day's program of the national air races. His head wrapped in bandages, he appeared a half hour later with an announced intention of flying again before the four-day classic is completed.

Tieup Spreads To Oakland in CIO-AFL Fray

Teamsters to Carry Battle to Latest Front on Wednesday, Word

Shooting, Possible Kidnap Enter Portland Scene; Council to Probe

SAN FRANCISCO, Sept. 3--(AP)--A practical tieup of the whole port of San Francisco, the nation's second largest, appeared inevitable tonight when the AFL teamsters union projected its waterfront blockade to transbay Oakland in its "finish fight" against CIO forces.

Secy. Charles W. Real of the Oakland teamsters announced his men would haul nothing to or from the Oakland port except perishables, ship's stores, baggage and government consignments beginning next Wednesday.

The San Francisco teamsters union blockaded its side of the port Wednesday, moving only government, perishable and emergency supplies.

Nearly All Cargo Shipments to Halt
Shippers said the extension of the blockade to Oakland meant virtual stoppage of all regular cargo excepting petroleum for all the waterfronts on San Francisco bay, since two teamster units control hauling at these points.

Real said the blockade would continue until the CIO-affiliated International Longshoremen's and Warehousemen's union "replaces the international award of the American Federation of Labor and ceases interference with the rightful activities of the teamsters union."

A few hours previously Dave Beck, Seattle teamster leader and head of AFL forces on the Pacific coast, announced the blockade would be extended to Oakland if shippers attempted to route San Francisco cargo there.

Beck also served warning that he was shooting in the back. (Turn to Page 2, Col. 5.)

Board Discusses Rural Water Rate

Rates to be charged water users along the new Stayton Island gravity pipe line outside the Salem city limits occupied the city water commission in its meeting last night. The six members of the board, including the matter until the entire commission is available to set the rates.

Letters from water boards at Portland, Tacoma and Seattle, written in answer to requests for those cities' out-of-town water rates were read, revealing that the rural charges were approximately 50 per cent above the city minimums. It was agreed at last night's meeting that Salem's water rates to country patrons should be made as low as possible in order to attract users.

Bids opened from two firms for installation of an oil burner in the new furnace at the water offices developed into a question of choosing between a fuel oil or diesel burner and the matter was tabled for investigation.

Farm Income Here Doubled From Low

PORTLAND, Ore., Sept. 3--(AP)--Oregon's agricultural income again is more than \$100,000,000 a year after dropping to a low of about \$50,000,000 during the depression. F. L. Ballard, vice director of the Oregon State college extension department, told members of the Oregon Bankers' association here today.

The association's agriculture committee laid plans to emphasize cooperation with the 4H and Future Farmers' groups during the coming year.

Bankers' association officials and committee members here today included: Clyde Williams, Albany, president; O. A. Hougham, Eugene, vice president; H. C. Pfund, secretary; T. B. Garrison, Oakland, Ore., committee chairman; G. C. Blohm, Klamath Falls; P. A. Eckman, Corvallis; F. H. Moes, Baker; N. M. Thornburgh, Seaside; and John Thornburgh, Forest Grove.

Supreme Court Defense Made By Ex-Member

Foundation of Highest US Court Undisturbed by Fight, Contended

Van Devanter Says Court up to Date for Five Years, Docket

YELLOWSTONE PARK, Wyo., Sept. 3--(AP)--Willis Van Devanter, retired justice of the United States supreme court, said today "the foundation underlying the supreme court has not been disturbed" by the controversy over reorganization of the tribunal.

"The recent flurry will soon be forgotten," he said in an informal talk before the Montana and Wyoming Bar associations at Canyon hotel here.

The retired justice, who was the oldest member of the supreme court in point of service when his retirement became effective in June, was given an ovation at the start and at the conclusion of his speech.

Declines Comment
On Recent Agitation
"No doubt you'd be glad to have me say something about the supreme court, and I would be glad to say something about the supreme court, but not the merits of the phase in which you have been most interested recently," he said.

"This would be inappropriate," Justice Van Devanter said that when he became a member of the court cases were from 18 months to two years behind. He described (Turn to Page 2, Col. 1.)

Astoria Council Shuns CIO, AFL

ASTORIA, Sept. 3--(AP)--The lower Columbia labor unity council, growing out of a split Thursday night in the ranks of the Astoria central labor council, will be affiliated with neither the AFL nor the CIO, Roy Kizer, temporary president, said today.

The new group includes the 50 delegates who walked out of the central labor council meeting, CIO timber workers, AFL cereal workers, longshoremen and clam diggers.

The walkout occurred when Ben Osborne, president of the state federation, revoked the council charter because of the membership of delegates from CIO unions.

Declaring that "the Astoria labor council is now definitely reorganized as a legitimate AFL body," Osborne returned the charter after the CIO delegates left.

Any union now represented that may later transfer to CIO affiliation will be immediately disassociated from the council, Osborne said.

Hornets Sting Girls

ALBANY, Sept. 3--(AP)--Hornets encountered the W. M. White hoyrard, northern Benton county sent Dorothy Chandler, 11, and Jean Peeler, 10, to a hospital here for treatment today. Despite numerous stings, the girls' conditions were reported not serious.

Late Sports

PORTLAND, Ore., Sept. 3--(AP)--The Portland Beavers continued their bid for a berth in the Coast League playoffs tonight by shutting out the Seattle Indians 6-0 in the last half of a doubleheader after taking the opener 7-6.

First game: Seattle 6 9 2, Portland 7 10 1. Pickrel, Barrett and Fernandez; Hare and Cronin.

Second game (7 innings): Seattle 0 2 1, Portland 6 9 0. Oppelt and Spindel; Radonits and Cronin.

LOS ANGELES, Sept. 3--(AP)--First night game: Missions 10 15 3, Los Angeles 5 9 4. Babich and Sprinz; Prim, Overman and Collins.

Second game (7 innings): Missions 4 9 0, Los Angeles 0 7 3. Beck and Outen; Lieber and Collins.

SAN FRANCISCO, Sept. 3--(AP)--Night game: San Diego 15 18 5, San Francisco 16 20 4. Ward, Fillette, Shellenbeck, Herbert; Detore; Stutz, Lamanske, Ballou, and Modzo.

Owners Start Moving Houses off of Block Required for Library

Detour Signs Erected on North Capitol to Permit Moving Job to Proceed; Kay Residence, one Time Governor's Mansion, to Be Razed

County 4H Stock Show in Progress

With the Pacific highway on North Capitol street fenced off and detour signs diverting traffic to North Summer street the city knows that house-moving is under way for the vacation of the block in which the state will build a library. For Salem folk are not just moving from the tract, many of them are taking their houses with them.

Nearly all the property-owners there have closed with the state for the sale of their property. Many of them retain the right to move their houses to other locations.

Governor Moody Residence Goes
Block 83, which is being vacated, was long one of the choice residential spots of the city. Landmarks on Court street fronting the Capitol grounds were the Patton house and the Kay houses, the latter once the home of Gov. Z. F. Moody.

Householders who will be displaced, and what they are doing are listed as follows: The Karl E. Krugel home that stood on the corner of Chemeketa and Summer streets is headed north on Capitol street toward its permanent location in the 700 block.

The W. I. Staley home will next be hoisted across the now vacated corner lot so the trees will not be injured. It will be located on the northwest corner of Market and Summer streets, just north of the Joel E. Roman home. The (Turn to Page 2, Col. 4.)

Winners Today Will Enter State Fair Next Week; Judging at 10

A small fair in itself, the Marjona county 4-H club livestock show and Future Farmers of America machinery exhibit opened yesterday morning at the state fairgrounds on the eve of the big state exposition beginning Monday.

Twenty-five to 30 head of sheep were judged yesterday before the 4-H members called time out at noon for the annual county picnic with parents and friends in the grove at the grounds.

Today, competition begins again as members enter over 100 head of hogs, and 25 head of beef and dairy cattle, the winning entries to stay over to compete at the state fair. Hogs will be judged at 10 o'clock this morning, followed by the dairy competition.

This afternoon, the International Harvester contest to attach a disc to a tractor in the shortest possible time, will be run off between two winners from the north and south ends of the county. The victor of this contest will enter the statewide competition next week.

Wayne Harding, county club leader, said yesterday that interest in this annual event is growing yearly, and that the 1937 show boasts the largest showing of livestock ever assembled for this event.

Typhoon May Hit Next in War Zone

HONGKONG, Sept. 3--(AP)--The death toll of the devastating typhoon which swirled over Hongkong Thursday rose tonight when it was disclosed at least 300 died at one point where a six-foot tidal wave was hurled half a mile inland by the mighty wind.

That number of bodies already have been discovered in the ruins of Tai-po village and the nearby market place, a few miles from Hongkong. Police estimated at least 300 more had died at other places, while it was still impossible to estimate the loss of life at sea.

Strong gales still whipped Hongkong harbor and nearby waters, but the main storm roared on to the north, hugging the China coast.

Weather men said it probably would strike again with destructive force, perhaps between Amoy and Foochow on the Fukien coast, and likely would pass close to war-gripped Shanghai.

The Japanese liner Asama Maru was refloated but the Italian luxury ship Conte Verde was still aground.

Peiping Conquerors Plan to Restore Old Imperial Court

PEIPING, Sept. 3--(AP)--Peiping's Japanese conquerors today prepared to restore much of the Confucian ritual of the old imperial court of China, and many Chinese believed they also would bring back the one-time emperor, Hsuan Tung--now Emperor Kang Teh of Manchoukuo--to sit again on the dragon throne.

Restoration of Confucian worship, which had been all but abandoned in China under the nationalist regime, was a feature of the changes wrought by Japan when she established her protectorate over Manchoukuo. Much the same thing is occurring in the north China regions conquered by Japan.

Scores Davey, Hurls Rebuke At Roosevelt

Asserts Anti-Strike Act Financed by Federal Funds, one Case

Shakespeare Reference of President Is Rapped; Break Confirmed

WASHINGTON, Sept. 3--(AP)--John L. Lewis of the CIO rebuked President Roosevelt tonight for his attitude toward the recent steel strike and warned labor "so-called friends and political beneficiaries" that there will be a reckoning on election day.

In bitter language he accused Governor Davey of Ohio and Chicago's Mayor Kelly of anti-strike activities and took another thrust at the administration by asserting that the activities were in one instance financed by federal funds and in the other tolerated by officials here.

Although he did not mention the president by name, there was no mistaking the target of his shafts. Vividly, he recalled President Roosevelt's application of the Shakespearean "a plague on both their houses" to both sides at the height of the steel strike.

Unblinded "Curse"
Objected to
"it'll behoove one who has sipped at labor's table," he said, "and who has been sheltered in labor's house to curse with equal fervor and fine impartiality both labor and its adversaries, when they become locked in deadly embrace."

Lewis' remarks, made in a radio speech, served as confirmation of recurring reports of a break between himself and the president. A year ago, he was one of the chief executives of vigorous supporters and his United Mine workers contributed \$500,000 to the Roosevelt campaign.

Beside raking the president and the administration, the CIO chief scornfully upbraided democratic members of the house who sponsored caucus action on the wage and hour bill by declining to answer their names when called.

He denounced the chamber of commerce of the United States "and similar groups" because, he said, they encouraged "a sympathetic organization of vigilante groups to fight unionization, the pretext of local interests."

Says CIO Must Redeem Pledges
He said the objectives of the CIO movement are "not political in a partisan sense" but that "it is true that a political party which seeks the support of labor and makes pledges of good faith to labor must, in equity and good conscience, keep that faith and redeem those pledges."

He continued: "The spectacle of august and dignified members of congress, servants of the people and agents of the republic, suiting in hallways and closets, hiding their faces in a party caucus to prevent a quorum from acting upon a labor measure, is one that emphasizes the perfidy of politicians and blighting the confidence of labor's millions in politicians' promises and statesmen's vows."

"Labor next year cannot avoid the necessity of a political assay of the work and deeds of its so-called friends and its political beneficiaries. It must determine who are its friends in the arena of politics, as elsewhere."

"It feels that its cause is just and that its friends should not view its struggle with neutral detachment or intense constant criticism of its activities. Those who chant their praises of democracy but who lose no chance to drive their knives into labor's defenseless back must feel the weight of labor's vote even as its open adversaries must ever feel the thrust of labor's power."

"Labor like Israel has many sorrows. Its women weep for their fallen and they lament for the future of the children of the race."

At this point came his reference to the president, and in colloquial, he said: "I must determine what labor seeks peace and guarantees its own loyalty, but the voice of labor, insistent upon its rights, should not be annoying to the ears of justice, or offensive to the conscience of the American people."

His reference to Kelly and Davey he prefaced with a statement that during the steel strike "eighteen steel workers were either shot to death, or had their brains clubbed out by police, or armed hirelings in the pay of the steel companies."

Ex-Fire Chief Dies
ROSEBURG, Sept. 3--(AP)--James Fletcher, 48, retired Roseburg fire chief, volunteer fireman for more than 25 years and former newspaper operator at the Roseburg Review, died today at the Walla Walla veterans hospital, his two brothers were notified.

Exceeds Cost of 1894-5 and 1904-5 Wars
With more than 500,000,000 yen (\$145,000,000) already appropriated, the ministers approved a third supplementary budget for 2,042,000,000 yen (about \$592,000,000), more than the empire spent altogether on its wars with China in 1894-5 and Russia in 1904-5.

All of the new budget is allotted to war purposes except 20,000 yen (\$5,500) for bacteriological research.

Confucian rites this will replace the ceremonial of the Chinese republic against which Japan is waging an undeclared war. Three bows before the picture of Sun Yat-Sen, father of the republic, is the main republican rite. The Japanese here, as in Manchoukuo, hope to appeal powerfully to Chinese conservatism by restoration of the old ways.