

Art Appreciation
 Hundreds of sets of famous paintings are being purchased by Statesman readers under the national art appreciation committee plan.

Weather
 Cloudy with showers today and Thursday. Max. Temp. Tuesday 58. Min. 46. River 1.6 feet. Rain 1.96 inches. south-southeast wind.

EIGHTY-SEVENTH YEAR Salem, Oregon, Wednesday Morning, November 10, 1937 Price 3c; Newsstands 6c No. 195

Portland Port May Close due to Dispute

Last of China Shanghai Army Still Holds on

6000 Evidently Resolve to Resist Till Death in Nantao's Ruins

Retreat not Harmful to Cause, Chiang Claims; to Defend Nanking

By LLOYD LEHRBAS

SHANGHAI, Nov. 10 (Wednesday)—(P)—The last remnants of Chinese forces in Shanghai, now almost entirely in Japanese possession, resolved today to resist until death.

The Chinese, estimated at about 6000 men in the isolated Nantao district bordering the French concession, virtually were trapped inside a bayonet-pointed crescent of Japanese.

It appeared certain they must be annihilated if they made a last stand. There was no avenue of escape except across the Wansung river or into the French area where they would be disarmed and interned.

The Chinese soldiers worked feverishly by lamplight digging trenches and raising sandbag barriers.

The withdrawal of Shanghai's defenders under cover of darkness last night toward their "winter line" protecting Nanking, China's capital, was not a vital blow to the nation's defenses. Generalissimo Chiang Kai-Shek declared.

War Scene Shifts to Great Delta Area

He said it would shift the war scene to the great delta lands of the lake region west of Shanghai where China has several strong lines reaching about 60 miles to Shanghai, Kaohsiang and Soochow.

Japanese communiques from North China reported the fall of another city, Talyuanfu, capital of Shansi province. The communiques said Japanese troops occupied the city.

The Japanese are pressing in pursuit of the Chinese retreating from Shanghai rounded the corner of the French concession and passed the Sicaew cathedral along Sicaew creek.

The Chinese had dynamited and burned all bridges across the Sicaew creek in the path of the Japanese and had barricaded the far side.

The situation left Shanghai isolated from the rest of the nation. A circle of Japanese men and steel helmets in 3,000,000 Chinese inhabitants, 1,000,000 Chinese refugees and thousands of American and other foreigners.

The port no longer was serviceable for military purposes. Only a few foreign and Japanese vessels connected Shanghai with the outside world. Railroads and highways inland from Shanghai were cut or blocked by the Japanese in all directions.

Oddities

ELLENBURG, Wash., Nov. 9—(P)—The thief who stole a suitcase from Cary Raymon's automobile was due for a surprise today. The case, Raymon told police, contained two deadly snakes.

Raymon, here to lecture at the Central Washington College of Education, said the case looks just like a fabric suitcase on the outside but was specially made to house a copperhead and a Florida cottonmouth moccasin.

Raymon immediately broadcast a radio warning of the snakes, and police kept for a snake talk at Quincy.

Raymon, sent out by a Los Angeles lecture bureau, has been touring the northwest addressing students and others on biological subjects.

MEMPHIS, Tenn., Nov. 9—(P)—Mrs. G. P. Brannon's inquisitive pug came back from the wash today.

The little dog crawled into the soiled clothes, yesterday and was carried to the laundry but was discovered before he came to grief in the machinery.

CLEVELAND, Nov. 9—(P)—Mrs. Irene Apple, seeking a divorce from Max Apple today, said her husband believes "the current dance craze, the big apple, has been named in his honor."

This she cited as supporting her allegation of extreme cruelty.

NEW ORLEANS, Nov. 9—(P)—Col. William T. Kennedy, who survived 43 operations performed as a result of World War service, sneezed at his home here and broke his ribs.

During his service as a surgeon, Kennedy never suffered a broken bone.

MacDonald, British Ex-Premier Dies

Armistice Day Program Here Is Announced

Parade and Exercises in Morning and Football Game Attractions

Judge Kanzler to Speak; Retail Stores all to Close, Is Decision

HOW ARMISTICE DAY TO BE OBSERVED THURSDAY
 8:30 a.m.—Legion past committee meeting, 850 S. 10th.

10 a.m.—Parade forms, Marion square.

10:30 a.m.—Parade moves, going south on Commercial to State, east to Church, north to Court, west to High and south on High street to disband at State, or if weather is inclement, parade to proceed to Ferry street and west to the armory.

10:45 a.m.—Ceremonies at War Mothers monument, courthouse square.

11 a.m.—Armistice exercises begin, courthouse grounds or at armory, according to weather.

12 noon—No-host luncheon at Fraternal temple for ex-service men and their families.

2:30 p.m.—Parrish-Leatic junior high school football game, Sweetland field.

9 p.m.—Legion Armistice dance, Crystal Gardens.

Afternoon and night, Legion tickets acceptable for admission to all these events.

All plans for Salem's observance of the 39th anniversary of the signing of the armistice which ended the World war are complete, James L. Cooke, chairman, announced last night at a meeting of the Armistice celebration commission of Capital Post No. 9, American Legion.

Highlights of the day's program Thursday will be the Legion past commanders' breakfast at the Quells at 8:30 a.m., the parade at 10 a.m., Armistice exercises at 11 a.m., with Circuit Judge Jacob Kanzler of Portland speaking, ex-service men's no-host luncheon at Fraternal temple at noon, free (Turn to page 2, col. 1)

To Sp... Here... Armistice Day



Final Payment Is Made on Pipeline

Part Is From Earnings of System; Department Is now "on Its Own"

The city of Salem finished paying for the \$645,000 Salem-Stayton city water pipeline yesterday when Recorder A. Warren Jones mailed a check for \$64,590.12 to the American Concrete & Steel Pipe company of Tacoma, Wash.

The payment was due Monday but was held up in the expectation a representative of the company would come here to accept it in person.

Completion of the city council's part of the pipeline contract was made possible by an appropriation by the water commission of \$17,564.50 from its operating funds to make up an anticipated deficiency in the council's water bond fund.

The commissioners last summer chose to make up this and smaller sums from earnings of the water department rather than to sell an additional \$25,000 worth of bonds.

The council as a result limited its final sale of bonds to a \$10,000 block, which paid for cast iron pipe for the 13th street trunk main, and other main now being laid to improve water pressure and circulation.

After yesterday's payment, the water department went entirely on its own from a financial standpoint. With \$67,000 in its sinking fund invested by the commission in interest-bearing bonds which will mature in time to meet first maturities of water bonds in 1940-1942, the department is expected to produce sufficient additional revenue to pay the city's share of construction of the 13th street main, to make final payment of \$4377 to Stevens & Koon, consulting engineers, and to carry other improvements within the city.

Three Girls Quit Chemawa School

Three girls walked away from Salem Indian school, Chemawa, at about 6:30 p.m., Tuesday and had not been heard from early this morning when state police received the report of their being missing.

The girls were Alpha Adams, 16, Agnes Burd, 16, and Barbara Whitehead, 15. All were dressed in riding breeches and boots. While all are of Indian blood, two of the girls have blonde hair and blue eyes.

They were last seen walking toward the Pacific highway, east of Chemawa.

FR Discusses Fund-Raising For new Subsidy to Farmer

WASHINGTON, Nov. 9—(P)—A quest for money to finance subsidies to farmers under a proposed new crop control program began in earnest today when President Roosevelt discussed taxes at a taxpayers' meeting, included funds for installation of traffic lights and salary increases for employes.

Those who conferred with the president included Secretaries Morgenthau and Wallace; Under Secretary Roswell M. Smith of the treasury; Daniel W. Bell, acting director of the budget bureau; Chairman Jones (D-Tex.) of the house agriculture committee; Chairman Doughton (D-NC) of the house ways and means committee, and Representative Winslow (D-Ky.) of the latter committee.

It has become increasingly evident the senate and house agriculture committees are working at cross purposes on taxes, processing taxes on major commodities. Senate farm leaders are standing by proposals to pay farm benefits from direct treasury appropriations.

Senators Pope (D-Ida) and McGill (D-Kas), who conferred this afternoon with national farm (Turn to page 2, col. 1)

Hoogerhyde to Appear Today, Circuit Court

Manslaughter Charge to Be Admitted, Police Quote Defendant

Series of Minor Charges Running Back to 1929 on Youth's Record

Arraignment of Clarence LeRoy Hoogerhyde, 22, on a charge of involuntary manslaughter, will take place in circuit court at 10 o'clock this morning if the self-admitted driver of the car which struck three women, injuring two of them fatally, at 17th and State streets the night of October 29, carries out intentions expressed yesterday.

Because District Attorney Lyle J. Page was tied up with other matters, Hoogerhyde's arraignment was postponed yesterday. City Patrolman George Edwards and State Police Sergeant Farley Mogan, who obtained Hoogerhyde's confession, said the young man told them he intended to waive grand jury indictment and plead guilty to the charge.

Ready to Report Before Confession. The investigators had completed their case Monday before Hoogerhyde signed his confession and were prepared if necessary to present their evidence before the grand jury yesterday. Hoogerhyde, however, questioned at length Monday afternoon and again beginning at 8 p.m., signed his confession at 11:15 p.m., the officers said.

Police records list minor charges against Hoogerhyde as far back as 1929, when he was arrested for shooting firearms inside the city and killing neighbors' chickens. He was taken to juvenile court on that occasion. Twice in 1930 and again in 1931 he was charged with larceny and (Turn to page 2, col. 5)

Fehl Proceedings in Circuit Court

MEDFORD, Nov. 9—(P)—Formal certification by County Judge Earl B. Day of insanity proceedings filed against Earl H. Fehl by Fred C. Kelly automatically transferred the case to the circuit court.

It was predicted here Circuit Judge H. D. Norton would take similar action, and that the state supreme court would be requested to assign a judge to hear the proceedings, scheduled for next week.

The insanity charge against Fehl, former Jackson county judge, caused postponement of a civil action brought against Fehl and his mother-in-law, Corintha E. Stalley, by H. Von Schmalz, of Burns, and George A. Rhoten, of Salem.

The suit seeks to collect \$3332 alleged to be due for legal services.

Labor Office Has Dispute; 'Company Union' Is Charge

WASHINGTON, Nov. 9—(P)—Labor trouble has broken out in the labor department.

The dispute began when Secretary Perkins refused to change the department's system of settling employe grievances at the demand of the United Federal Workers of America, a CIO union.

Now officials of that union accuse Miss Perkins of promoting a "company union" and says her labor policy is "out of line with the Wagner labor disputes act."

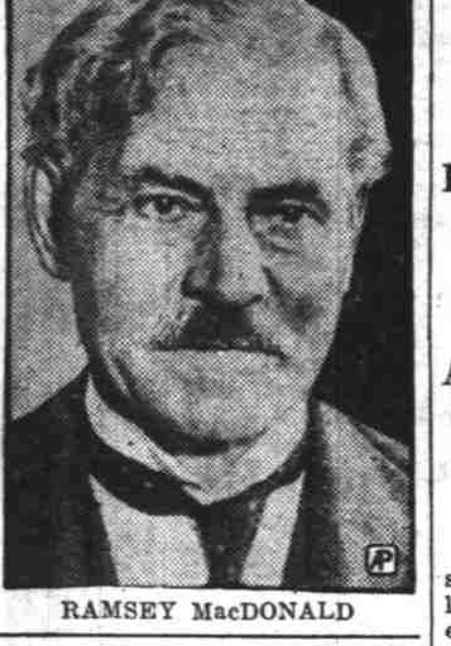
Perkins' assistant replies the department's system of handling grievances is the most practical one yet found. As to collective bargaining, they pointed to President Roosevelt's statement: "All government employes of collective bargaining, as usually understood, cannot be transplanted into the public service."

Labor Peace Conference Recesses Until Nov. 18

WASHINGTON, Nov. 9—(P)—The peace conference between the AFL and the CIO recessed tonight until November 18 without reaching any agreement.

Peace committee men said they had other business to which they must attend.

Former Premier of Britain Dies



Fire Escapes for 2 Schools Asked

Stairway Changes Made in Relief Jobs Thought Adequate, Stated

Construction of outside fire escapes at Englewood and Highland grade schools is urged by the state fire marshal in a letter opened at last night's school board meeting. Neither building now has exits other than inside stairways leading to main doors.

Older members of the board in point of service recalled that when both the buildings referred to were altered and added to during the CWA and SBRA relief work periods, inside stairways were understood to have been arranged so as to make fire exit facilities adequate. The fire marshal's letter was referred to the building and grounds committee for investigation.

One criticism of the local district's finances contained in the recent state audit was remedied for the future when the board last night adopted a contract with the Polk county non-high school board that provides the Salem district shall receive the full per capita tuition permitted by state law. Last year the Polk board lopped 5 per cent and the year before, 10 per cent, from the actual per pupil cost as computed under the law.

Tuition for Polk county pupils attending Salem high school will be \$90.66 each this year under terms of the new contract. No steps have been taken by the Salem board to recover the amounts not allowed in 1935 and 1936 but held by the auditor to be due.

The directors said they intended no criticism of the Polk board for the contracts of the past two years since the Polk district was taxed to the full 6 per cent limit to make the payments that were allowed.

Boy of 8 Is Hero in Seaside Blaze

ASTORIA, Nov. 9—(P)—A boy of eight who saved six other children from a burning home at Seaside received clothing, candy and toys from an admiring neighborhood today.

Arthur Graston left to mail a letter and returned to find his home in flames. His five children, and two others left in his care while their parents attended a dance, were safe.

Graston's oldest son, awakened by the fire, took one sister and a brother to safety, and returned to rescue the others.

No Change in Condition of Mrs. C. W. Standish Is Reported From Hospital

No change in the condition of Mrs. C. W. Standish, injured in the automobile accident which killed her husband, former Salem grocer, at Woodland, Wash., Monday night, was reported today from the hospital at Vancouver, Wash. Mrs. Standish suffered fractures of both legs and a wrist as well as other injuries and her condition was regarded as critical.

The body of Mr. Standish was brought here Tuesday to the Clough-Barrick mortuary but funeral arrangements have not been completed.

Crater Road Blocked

BEND, Nov. 9—(P)—Snow falling today in the central Oregon Cascades blocked the north entrance to Crater Lake national park and held the McKenzie summit under a six-inch blanket.

Poor Scottish Boy Is Thrice Nation's Chief

Eventful Career of Man Who Rose From Labor Ranks Is at End

Achievements for Peace Recalled; Spurned by Party, Last Term

LONDON, Nov. 9—(P)—J. Ramsey MacDonald, who rose through labor's ranks from Scottish poverty to become thrice prime minister of Great Britain, died suddenly tonight aboard a cruise ship bound for South America.

Dr. Alastair MacKinnon, MacDonald's son-in-law, received news by radio of the death of Britain's first labor prime minister.

The man who was born the son of a Scots farmer and spurned an earldom only this year, died aboard the steamer Reina del Pacifico at 8:45 p. m., apparently of a heart attack.

Collapse Year Ago At Banquet Recalled Prime Minister Neville Chamberlain received news of his death shortly after addressing the lord mayor's banquet in the Guild hall, the occasion at which only a year ago MacDonald suffered a sudden collapse.

The body will be taken off the ship at Bermuda, where it is due November 15, and returned to England.

The 71-year-old former prime minister, with his daughter Sheila called last Thursday for South America in search of what he called "the most elusive of all forms of happiness—rest."

The day after he departed his successor, Stanley Baldwin, now Earl Baldwin and also retired, paid tribute to MacDonald in a public address, saying "I never (Turn to page 2, col. 3)

Litvinoff Leaves; Meaning in Doubt

LONDON, Nov. 8—(P)—The abrupt departure of Maxim Litvinoff from the Brussels conference was seen tonight as meaning either or both of these things:

1. A protest against what Russia considered a Brussels maneuver to leave her out of any Chinese-Japanese mediation conference while leaving Italy in.

2. A preliminary to a soviet defense counsel on how to meet Italy's adherence to German-Japanese anti-comintern pact.

Litvinoff left Vladimir Potemkin, Russian ambassador to France, in charge of the soviet delegation, but the fact Russia still was represented did not lessen the belief his sudden departure was significant.

\$25 Jackson Day Dinners Opposed

PORTLAND, Nov. 9—(P)—Because of 27 year annual Jackson day dinners have been traditionally for the rank and file, Howard Latourette, democratic national committee man for Oregon, opposes a proposed charge of \$25 a plate.

He wrote Oliver O. Quayle, Jr., acting treasurer of the democratic national committee, that, in his opinion, the banquet to be held January 8, 1938, should not be put on a "money-making basis."

Open House Events at City Schools Draw Large Crowds

Bush school's National Education week "open house" last night attracted 800 parents and friends of the school.

Visitors first attended a play staged by sixth grade children depicting the changes in classroom routine during the past century in America. Musical selections were furnished by the American Legion auxiliary quartet.

Following the program, a brief business session was held, and the parents were taken on a tour of the school building.

McKinley reported nearly as large a crowd as did Bush. Student projects in the various rooms were major attractions to visitors.

Longshore Refusal To Load Hot Cargo Declared Violation

Agreement of Last February Is Cited but Union Counters With Charge "Safe Conditions" Lacking

Handling of Other Goods Is Speeded as Deadline Near; AFL Sawmill Product Is Cause of Crisis

PORTLAND, Nov. 9.—(AP)—The Waterfront Employers' association notified union longshoremen today the Port of Portland would be closed to all shipping at 8 a. m. Thursday unless a disputed lumber cargo is loaded, aboard the steamship Hestia.

CIO longshoremen refused for the third day to pass a CIO sawmill union picket line to handle 11 carloads of lumber from the Carnation Lumber company, of Forest Grove, which employs an AFL crew.

The employers charged violation of the longshore agreement of Feb. 4, 1937, and cited alleged assurances from the union that jurisdictional disputes would not interfere with performances under the agreement.

Roscoe Craycraft, longshoremen's secretary, countered with the assertion employers had failed to provide "safe working conditions" as provided for in the contract.

Loading at docks and warehouses was pushed today in an effort to clear as many ships as possible before the Thursday deadline.

Port at Coos Bay Is Already Closed The Employers' association at Marshfield ordered the Coos Bay port closed Monday as a result of a similar controversy involving lumber from an AFL mill at Coquille.

The policy committee of the Portland central labor council formally rejected today a CIO proposal for a national labor relations board election in the closed sawmills to settle the jurisdictional dispute.

The committee cited picketing of the Smith Wood Products company mill at Coquille, where 20 per cent of the employes were alleged to have favored the AFL, as evidence of lack of good faith on the part of the CIO request for an election.

Magda Fontanges Barred From US

NEW YORK, Nov. 9—(P)—Barred from this country on grounds of "moral turpitude," Magda de Fontanges, 30, appealed from Ellis Island tonight for an opportunity to tell Washington authorities about the romantic interlude she said she had with Premier Benito Mussolini.

The red-haired French journalist, who came here to appear in a Broadway night club at \$50 a week, was ordered excluded after a private hearing before a special board of inquiry headed by Immigration Comm. Rudolf Reimer.

The board announced it had decided against Mme. de Fontanges "because of an admission of a crime involving moral turpitude, to wit: Assault with a dangerous weapon."

Jiggs Hits Minnie So Doctor Needed

PITTSBURGH, Nov. 9—(P)—Full-loving Jiggs, Frank Buck's ape, swatted Minnie, the elephant, with the lid of a milk can tonight and as a result two veterinarians had to board a train at Pennsylvania station tonight to patch up the pachyderm's eyes.

Earl Chase, attendant aboard the train, which was carrying the explorer's animals to Chicago, occurred after the train pulled out of Harrisburg, Pa.

Four Chinese Die, Fire

WALNUT GROVE, Calif., Nov. 9—(P)—Four residents of Walnut Grove's Chinatown perished early today in a fire which destroyed from 80 to 100 buildings.

Ballade of Today

By R. C. The "great white way" of Salem—likewise Silverton and Rickreall—have unexplained attractions for a monstrous swarm of geese; if they but knew the trouble that afflict all things terrestrial, we're sure they'd keep on flying on their southward way in peace.