

Salem Passes 30,000 Mark in Population

United States Shows Concern Over China Open Door Status

Warning Sent By Secretary Hull to Japan

Nation to View Askance any Tampering With Chinese Customs

England Taking Similar Stand; Invaders Make Further Progress

WASHINGTON, Nov. 27.—(AP)—Secretary Hull, concerned for the future of China's commercial "open door," warned Japan today that the United States could not look with equanimity on any attempt to tamper with the Chinese maritime customs system.

Acting on his instructions, American Ambassador Joseph C. Grew formally notified the Tokyo foreign office that the American government would be "very much concerned" if the Japanese conquerors of Shanghai and other parts of China disturbed the integrity of the Chinese customs service.

The secretary of state announced also the state department was maintaining close contact on the subject with other governments, some of whom, notably Great Britain, have lodged similar representations with the Japanese government.

Growing Anxiety Is Not Disguised

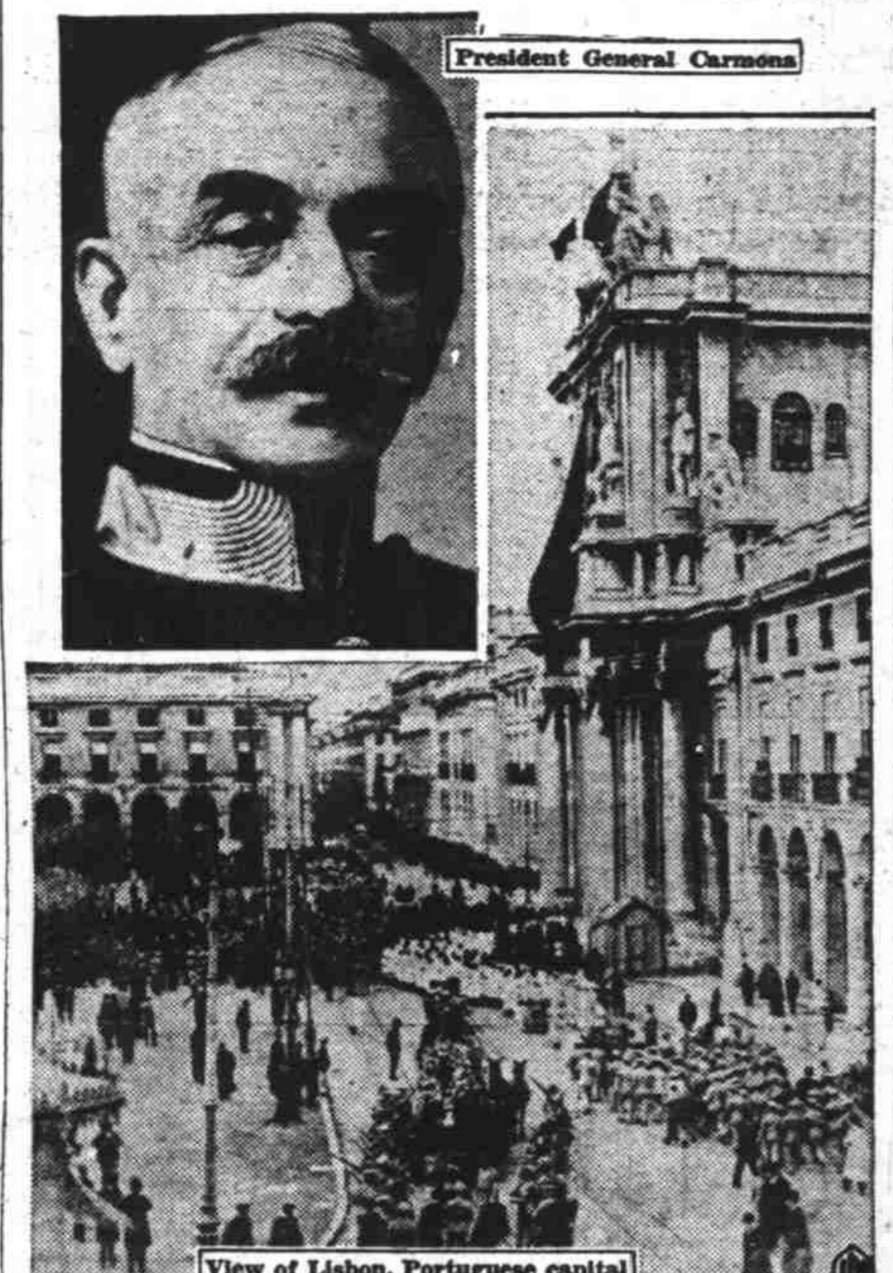
Whether Washington and the other protesting powers contemplate further action with respect to the customs situation was not made known. But officials here did not attempt to disguise their growing anxiety over the possible consequences to American trade and financial investments in China if the customs ports were seized.

Uppermost in their calculations was the question whether such big shipping centers as Shanghai and other coastal cities might be treated like the interior Chinese customs depots which were taken over in the Japanese conquest of Manchuria in 1932-33.

Since then, trade authorities said, American and other foreign exporters have been able to enter the Manchurian market only with the small categories of goods Japan was unable to supply.

Approximately 55 percent of America's annual exports to China proper, amounting in 1936 to (Turn to page 13, col. 6)

Portugal Is Walking Tight Rope With Loss of Colonies Main Fear



View of Lisbon, Portuguese capital

International observers are now taking into consideration the dilemma of Portugal, Europe's fifth largest empire but weak in military defenses. Always friendly in the past to England which took her side against Napoleon, Portugal is leaning toward the fascist entente as a policy she now apparently regards most likely to preserve her vast colonies.

Old Age Aid Will Increase Greatly Over Third of Million to Be Added to Present Total Next Year

More than a third of a million dollars in old age assistance grants will be distributed among approximately 1500 elderly Marion county men and women next year, according to statements made yesterday by Glenn C. Niles, executive secretary of the county relief committee.

With the county contributing \$90,000, the state the same sum and the federal government double that amount, \$360,000 will be available for old age assistance here in 1938. Niles estimated the reduction January 1 in the age limit from 70 to 65 years would bring 600 additional persons into the old age assistance eligibility rank during the coming year. The county at present is contributing toward the support of 950 men and women who are 70 years of age or older.

Old age assistance applications will be accepted from persons between the ages of 65 and 70 years beginning Wednesday, Niles said, but first checks will not go out to approved applicants until the last day of January.

To meet the burden occasioned by the reduced age limit, the county court has raised its old age assistance appropriation for 1938 (Turn to page 13, col. 1)

Three Time Loser, 63, Says Drink Caused Check Passing

Already a three-time loser on check charges, 63-year-old E. O. Beach pleaded guilty, told a story of early loss of a beloved wife and a subsequent fight, and said "I drink, then asked no quarter from the court when he appeared before Circuit Judge L. H. McMahon yesterday afternoon on a charge of forging a check on the Salvation Army here last year.

"The strangest case I've ever had," Judge McMahon commented. District Attorney Lyle J. Page and observers at the "in chambers" session of the court were inclined to agree.

Beach's tale sounded like a woman's Christian Temperance union play of pre-prohibition days. "I should be punished," Beach told the court, his chin trembling slightly. "But I just can't help carrying that I've been fighting an awful fight in these years past. My wife—the only one I ever had—died of consumption when I was

26 years old. I began to drink when I was about 20, but not because of losing her; why, I don't know. And when I drank I was a different person; I did things and then didn't know afterwards I had done them."

Beach's appearance yesterday, as a man of refinement, who in his youth had been a salesman of office equipment, and later of automobiles, puzzled his listeners as he proceeded to confess that he had been jailed first in Connecticut on a check charge, insufficient funds, had been caught sawing an iron rail bar in an effort to escape and return to his young wife, the granddaughter of a Wisconsin governor, and then had gone to the state prison. In later years he served sentences in Texas and Illinois penitentiaries on similar check offenses.

"Finally, I got to working for the Salvation Army, first in Los (Turn to page 13, col. 2)

School Tax Is Only Property Levy by State

Income Taxes Virtually Wipe out That Burden Upon Real Estate

Permanency Is Doubtful; Total Budget Higher Than 1937 Figure

Technically speaking, there will be a state property tax of \$1,796,235.69 next year, but the state government will never see any of it. It will be the elementary school tax, levied and apportioned as a state tax but paid to county officials and disbursed by county school superintendents and is generally considered a local levy.

For 1937, the total state property tax was \$2,817,939.86. This is the second time the state property tax has been eliminated due to income tax receipts. The first time was in 1932. Both last year and in 1935 the property tax, while not entirely wiped out, was reduced materially within the six per cent limitation.

In 1935 the property tax for state purposes was reduced from around \$1,348,950.43 to \$903,511.63 and in 1936 to \$884,640.

State department officials said that while the property tax elimination for 1938 was cheering news, decreases already looming in next year's income tax receipts, might make it necessary to restore the property tax in future years.

Income tax receipts for 1938 were estimated in the new levy at \$4,337,704.67, a reduction of almost half a million dollars from the estimated receipts of \$5,300,000 for this year.

Biennial appropriations were listed in the tax levy at \$17,659,424.87, or approximately \$1,500,000 in excess of that included in previous budgets and tax levies. Included in these were \$850,000 for construction of a new library and office building and increased mileage for higher education. The half mill levy for the world war veterans state aid commission, amounting to \$449,058.92, not levied last year, also was included in this year's tax levy.

New Appropriations Shown in Budget In addition to the unusual appropriations contained in former (Turn to page 13, col. 4)

More Rain Is Due Soon, Predicted

Cloudy conditions today and rain Monday were in the weather bureau forecast for the weekend last night. Only .01 inch of rain fell in the 24 hours ended at 7 a.m. yesterday.

The Willamette river dropped 6 feet in its 15-foot peak of Friday night and by yesterday afternoon was down to 14.1 foot point.

County officials predicted the Salem-Silverton highway at the Pudding river bridge would be reopened for traffic before the weekend closed. Over the highway the river covered the highways all last week at that point to depths ranging to more than four feet.

Oregon City Will Rest on Laurels, Not Play Vikings

The Oregon high school football championship situation will remain at "status quo" with both Oregon City and Salem undefeated. It was revealed last night, Coach Harold Hank of Salem High said Coach Harold Dimick of Oregon City had turned down Salem's offer of a post-season game.

Dimick was quoted as saying he was personally willing to schedule the game but that sentiment in Oregon City was against it, the view there being that Oregon City was the undisputed champion as a result of its victory over Bend, 14 to 13, on Thanksgiving day.

Accident Shot Fatal EUGENE, Nov. 27.—(AP)—Gordon A. McNell, 44, died Friday from an accidental gunshot wound.

Limit on Farm Program Cost Sought by FR

Budget Balancing Issue Stressed by Letter to Senator Barkley

McNary Urges That Bill Be Dropped Until It Is Drafted Anew

WASHINGTON, Nov. 27.—(AP)—President Roosevelt gave congress a strong hint today that he wanted the cost of the new farm program held to a billion dollars a year.

In a letter to Senator Barkley, the democratic leader, the president reinforced earlier budget-balancing statements with the emphatic assertion: "It is obvious that a constant increase of expenditures without an equally constant increase in revenue can only result in a continuation of deficits."

"We cannot hope to continue on a sound basis of financial management of government affairs unless the regular annual expenditures are brought within the revenues."

Mr. Roosevelt said he felt "every effort should be made" to keep spending under the new farm program within an already-voted \$500,000,000 appropriation.

But if this were impossible, he added, "then urge that steps be taken to provide the necessary increase in revenue to meet any expenditures under the new farm program in excess of that sum."

Barkley told reporters it would be difficult to estimate how much the new program would cost, but if it attained its purpose of stabilizing farm prices and eliminating surpluses the sum probably would be small.

"I feel sure," he said, "that if any additional revenue is needed, congress will raise it so as not to make any additional burden on the treasury." (Turn to page 13, col. 1)

Boy, Five, Reports His Parents Slain

WHEAT BASIN, Mont., Nov. 27.—(AP)—"They shot mama and papa last night."

Thus did five-year-old Larry Kuntz disclose today a story that two night-bikers killed his parents and left the boy beaten senseless in an automobile with the bodies of his father, Mike Kuntz, 38, and his mother, Mrs. Kuntz, 28.

Directed by little Larry, Mike Zisser and Hubert King found the bodies of Mr. and Mrs. Kuntz in their automobile inside a grain elevator which Kuntz operated since coming here from Bismarck, N. D., several weeks ago.

Undersheriff Jack Benjamin said both bodies had several bullet wounds. He said no gun could be found.

Benjamin reported tonight he had arrested a man and his wife at Columbus, Mont., for questioning in the double slaying. Questioned by P. R. Helly, Stillwater county attorney, they gave their names as Hugh Downard, 40, and Mrs. Downard, 28, and denied the slaying.

The Kuntz boy, Sheriff Benjamin said, pointed at the couple and said: "That man looks like the man, but the woman doesn't look the same."

Two Are Injured In Auto Mishaps

Jesse Arnold, janitor at the state highway building in which the state police office is housed, was knocked down on the highway between the building and 25th street last night by an unidentified car and a bone in his left arm broken.

He was taken to the Salem General hospital by a state police officer, was treated there and removed to the Veterans hospital in Portland.

Mrs. Victor Hammer was taken to the Salem Deaconess hospital for treatment of leg lacerations suffered when the automobile in which she was a passenger went into the ditch near Salem. Mrs. Hammer, a resident of route seven, was able to leave the hospital after treatment.

Pittsburgh Suburb Has Costly Blaze PITTSBURGH, Nov. 28.—(AP)—Fire swept through a business and residential block in suburban Homestead early today, destroying at least 10 stores and routing 30 families. Four women who jumped from windows were sent to a hospital.

Outlook for Solution Of Lumber Tieup Dim; Peace Session Monday

Sawmill Operators Won't Attend, AFL Definitely on Record Refusing to Join in Election; Direct Appeal Is Sent to President

PORTLAND, Ore., Nov. 27.—(AP)—A new force injected itself into the AFL-CIO jurisdictional dispute today when the Industrial Employees' union, formerly the Loyal Legion of Loggers and Lumbermen, offered Mayor Joseph K. Carson its help in reopening sawmills closed 106 days ago.

Angus Chisholm, president, specified the IEU had no intention of soliciting members among mill workers here. The national labor relations board is hearing charges of company unionism against the organization.

Meantime, 15 sawmills and wood products companies telegraphed President Roosevelt, Labor Secretary Frances Perkins, John L. Lewis and William Green and congressmen their first appeal for help. "Steps to bring peace... and force the two major unions to conciliate their positions," were demanded.

Other developments were a Portland council of churches recommendation for a local arbitration committee; AFL refusal to participate in an election conducted by the NLRB, and an announcement sawmill operators would not attend a Monday meeting of Charles W. Hope, regional NLRB director; the governor; Mayor Carson and AFL and CIO groups.

Governor Martin and Hope received prospects from Tillamook county officials and residents to intercede in jurisdictional disputes which have thrown 2000 men out of work here.

The Tillamook county court, chamber of commerce and other organizations and individuals were there, joined Saturday in urging Governor Charles H. Martin to take some action to terminate the present labor controversy.

"Tillamook county has been depending very largely on the salvage of our fire-killed timber for stabilizing industry here and also giving the county needed tax money," the letter to Governor Martin read.

"When logging operations cease (Turn to page 13, col. 2)

Statewide Berry Association Plan

Organization Along Lines of Logan Board Urged at Meeting Here

Organization of all small fruits producers in Oregon along the effective lines of the present Oregon Loganberry Control board, was advocated in a resolution of Logan and blackberry growers passed at the statewide conference which was held in Salem Saturday.

The resolution was presented by John Ramage of Woodburn. Large attendance and active interest in the problems common to berry producers featured this meeting, the crowd of growers from all berry producing sections of the state filling to capacity the auditorium of the YMCA where the afternoon session was held. The group met in the forenoon at the chamber of commerce auditorium.

The meeting was presided over by Frank Hrubetz, president of the Salem Berry Growers association and of the loganberry control board.

A number of technical talks and discussions of the small fruits industry were presented by leaders in the industry and Oregon State college horticulturists.

Gram Sees Peace Hope, Will Proceed in Arbitration Move

Conflicting terms demanded by non-union Salem restaurant operators and the Gentry alliance failed last night to make State Labor Commissioner C. H. Gram despair of seeing any good come from his proposal for arbitration of the differences of the two groups.

"I am satisfied this can be amicably settled," Gram declared in his first statement since a committee from Associated Restaurants of Salem, Inc., met with him at his request last Wednesday.

The commissioner said he was "just marking time," had contacted neither faction but felt certain "there are certain things that can be overcome."

Before discussing the situation informally with undisclosed persons last night, Mr. Gram announced he would have to go to Portland Monday morning to take part in the attempt to settle the sawmill dispute but would return here with the expectation of seeing some sort of compromise developed in the restaurant situation before the close of the week.

While both the union and the operators have agreed to arbitration, the former has unofficially let it be known that it required a closed shop agreement as one outcome and the latter has declared through spokesmen that they (Turn to page 13, col. 3)

Over Thousand Climb in Past Year Is Shown

Total now 31,333, Based on Same Indices Used in 1937 Estimate

Water Patrons, Count of School Pupils, Other Figures Included

By STEPHEN C. MERGLER Salem has definitely entered the advanced municipal population grouping of 30,000 to 50,000 persons by dint of a sharp rate of growth experienced by the capital city in the past year.

This conclusion was indicated yesterday by a recheck of reasonably reliable key utility and school census indices upon which The Oregon Statesman was led to announce on November 13, 1936, that Salem's population had climbed to 29,955 from 26,666 in the federal census year of 1930.

Yesterday's revision in accordance with the city's growth showed Salem's probable population today to be 31,333 men, women and children. The total represented a growth of 19.3 per cent in seven years, of 4.4 per cent or 1323 persons in the last year alone.

This result was given by a study of school census totals for the years 1910, 1920, 1930, 1936 and 1937, of Portland General Electric company customer listings for 1930, 1936 and 1937 and of Salem water department active files for the same years.

1937 Water Figure Estimate Was Low A variation crept into the computations yesterday from those of a year ago in that the index figure obtained from the water department in 1936 was only an approximation which by an exact count since that time has been found to have been low. Salem's population last year with the correction made must have been 30,010 instead of 29,955.

That these three indices must be approximately correct as applied to the city's population totals is indicated by reports from conservative independent sources.

The Salem postoffice has reported to the federal government that the city's population is now around 30,000 persons.

R. L. Polk & Co., city directory compiling agency, whose estimate a year ago was under that of The Statesman's, recently announced its 1937 estimate as 29,812. The Salem Chamber of Commerce has since urged the directory firm to take its counts hereafter in the spring instead of in July and August, the vacation months which take many of the city's residents to other places.

All Indices Show Gain During Year In arriving at its 1937 estimate, The Statesman has computed the city's population on the basis of a 6 per cent consumer growth reported by the Portland General Electric company in the last year, a 2.64 per cent increase in active customers listed by the water department and a 5.2 per cent gain in school census children. An average of the population totals gained by applying these percentages to the respective totals obtained last year ago gives the new estimate, 31,333.

As pointed out by Manager W. M. Hamilton of the power company last year, the city's school census totals showed a but slightly varying ratio to the city's population for the federal census years 1910, 1920 and 1930. The average ratio derived from these three, or 3.384 residents to every school census child, when applied to the 1937 school census completed early this month supplies a population estimate from this source of 31,181 persons, or but .4 of 1 per cent below the estimate developed from The Statesman's composite averages.

Everybody Buys and uses Christmas Seals

The Painter GREETINGS

23 Shopping Days Left

Advertisement for Christmas seals and shopping days left, featuring a cartoon character and the text '23 Shopping Days Left'.