

Art Appreciation
Hundreds of sets of the famous paintings offered by the National Committee for Art Appreciation are being purchased by Statesman readers.

Weather
Occasional rain today and Friday, snow in mountains; Max. Temp. Wednesday 53, Min. 40, river 18.1 feet, rain 2.01 inches, S-W wind.

EIGHTY-SEVENTH YEAR

Cloudburst Brings Deluge Down Upon City

Rogers Linked up With Chaffee Death

Inquest Story Will Be Given To Grand Jury

"Sailor" Quoted Saying He Clouted Somebody and Took Overcoat

McCollam Admits Three Were Together up to Around Midnight

The inquest into the death in the city jail December 18 of George D. Chaffee, Silverton mill foreman, brought out testimony yesterday afternoon of a drunken spree or fight in the Leonard hotel during which furnishings were thrown out the second story window and of a drinking companion of Chaffee's who told other witnesses he had "clouted a gee on the head and got his overcoat and hat..." Chaffee was not involved in the hotel brawl.

Sufficient evidence has been assembled to present the matter to the grand jury for investigation after the coroner's jury has fulfilled its duties, District Attorney Lyle J. Page announced.

Thirteen witnesses testified yesterday before the inquest, being held at the Clough-Barrick mortuary, was continued over to 3:30 a. m. today for testimony by at least six other witnesses, according to Coroner L. E. Barrick.

Pointed Mention of "Sailor" Rogers Made
The name of Chester A. "Sailor" Rogers, about 26, former Astoria district mill employe whom city police have been seeking, held a prominent place in late afternoon testimony by Sergeant Donald Nicholson, Clarence Caldwell, Pastime card room and bar operator; Roy McCollam, 26, who has been in the city jail since the night of the hotel fight and of Chaffee's arrest; Bob Moody, truck driver, and Virgil Kubin, former employe of Moody, who described Rogers as a man who corresponded to a description given by Mrs. Otto Schless, Leonard hotel proprietress, of a man who took a room with McCollam and registered as G. L. Delp.

A bruise over Chaffee's forehead marked the point of the skull fracture which caused his death, Dr. Verden E. Hockett, autopsy surgeon, testified early in the day. Dr. William J. Lidbeck, state hospital pathologist, said the fracture may have been caused by a fall and also testified that he had found no trace of alcohol in Chaffee's internal organs.

The afternoon testimony centered around the meeting of Chaffee, McCollam and Rogers on the night of the hotel fight. (Turn to page 2, col. 5)

INCIDENT WHICH CAUSED US-JAPAN CRISIS



Fall of Tsingtao Seems Imminent

Chinese Destroy Property as Evacuation Looms; Americans Leaving

SHANGHAI, Dec. 30 (Thursday)—(AP)—Acute tension gripped Tsingtao today as Chinese, apparently resigned to loss of the rich north China port, spread devastation to leave the Japanese nothing but ashes.

A series of explosions late last night rocked the city as Chinese soldiers blew up telegraph, cable and radio offices, creating fear the Chinese "broken tile" policy might mean greater destruction before the expected Japanese entry.

The United States cruiser Marblehead and destroyer Pope moved closer to shore, ready to evacuate Americans quickly in case of sudden necessity. A British cruiser lay nearby to take off Britons.

With the United States gunboat Sacramento already at sea bound for Shanghai with 45 American refugees, 159 Americans remained in Tsingtao and 13 others in its environs. Eleven Americans still were at Tsinan, Shantung province capital 200 miles west of Tsingtao, which Japan's forces already had occupied.



Above, the actual sinking of the US gunboat Panay, shown heeling over to take her final plunge into the depths of the Yangtze river. Note that masts have been broken off by Japanese aerial bombs, disabling radio equipment. Light blotches on upper decks are American flags painted for identification. Below, Lieut. C. G. Grazer, medical officer of the Panay, standing over Lieut. Commander J. J. Hughes, to whom he had just given first aid for serious leg wounds, following their escape into the reeds along the river bank.—IIN photos.

Teacher Pension Program Favored

No Discussion of Fight on Present Retirement Act at Sessions

PORTLAND, Dec. 29 (AP)—The representative council of the Oregon state teachers' association approved unanimously a resolution urging a statewide retirement law for teachers, and advocated state assistance in building a fund.

A reported movement among Portland and Salem teachers to challenge the constitutionality of the present retirement act was not discussed today in a session preliminary to the 38th annual convention of the association.

The act compels retirement at the age of 65, but provides no benefits.

Other resolutions urged additional federal aid to education, and supported statewide county health units and child clinics.

"Equal opportunity cannot be had for children of this state so long as the local tax base lags." (Turn to page 2, col. 4)

Paris Public Service Strike Called off; Threat Utilized

PARIS, Dec. 30.—(Thursday)—(AP)—Labor leaders and cabinet ministers early today announced strikes of 120,000 Paris workers had been called off.

The Paris municipal council, acting through Interior Minister Marx Dormoy, agreed to give the workers a living allowance at a compromise figure between their demands and the previous council offer.

Paul Morel, secretary of the Public Services Workers' union, said the strikers would go back to work today ending the tieup of Paris transportation, gas, light, and water services that had threatened more serious complications.

Fliers Deny They Hurt Wild Geese

EUGENE, Dec. 29 (AP)—A justice court jury failed today to agree on a verdict in the trial of Yale Smith and Russ Stewart, local aviators who pleaded innocent to charges of molesting a flock of wild geese from an airplane Armistice day.

The fliers denied the statements of witnesses that they had fired on the birds, and said their alleged aerial maneuvers were for the purpose of trying out air currents south of the airport.

Salem Man Said Held On Bad Check Charges

ROSEBURG, Dec. 29 (AP)—Sheriff Percy Webb said E. A. Hunt, who gave his address as Salem, was taken into custody this morning charged with issuing two worthless checks at a local hotel.

Service Station Burns

CANBY, Dec. 29 (AP)—Fire of unknown origin destroyed a service station owned by Ross Wymore, on the Pacific highway a mile north of Aurora this afternoon.

Library Building Plan Is Approved

PWA Okeh Received, Bids Expected to Be Called for Opening Feb. 2

The Washington office of PWA has approved the plans of Whitehouse & Church, architects, for the new state library and office building. Approval of the state board of control will be asked and it is anticipated that bids for the work will be called by publication starting Dec. 31, for opening on Feb. 2.

All property in the block on which the building will stand has been acquired except the Patton property for which negotiations are still in progress.

Sharp bidding is expected on the new library job. Ross B. Hammond, present contractor for the capitol would like to swing over on this construction work, and L. H. Hoffman, who is now completing the Salem postoffice and the Willamette university library, will be a bidder on the state job.

Moorman Alleged Shortages \$8000

The shortage of W. L. Moorman, ex-state highway department employe, had reached nearly \$8000 yesterday, R. H. Baldock, state highway engineer, reported.

Moorman is now under arrest charged with forgery. He operated by issuing forged time claims, officials said.

Auditors are now investigating the books of the state highway department to prepare a statement for the bonding company.

Baldock said the audit showed that Moorman began his operations soon after entering the employ of the highway department 11 years ago.

Boycott Nippon Goods

EUGENE, Dec. 29 (AP)—The Eugene central labor council approved a boycott of Japanese goods, acting on authorization of President William Green of the AFL, Hugh Reynolds, secretary, said.

Large Crowds At Creamery's Silver Jubilee

Quarter Century Growth Outlined; Forecasts of Future Bright

Co-Op now State Leader in Return per Pound Upon Butterfat

MT. ANGEL, Dec. 29.—Commemorating the first day of the two-day silver jubilee of the highly successful Mt. Angel cooperative creamery, 1000 persons gathered at St. Mary's school building here today to enjoy the program and luncheon arranged by the officers and directors of the association.

Another 1000 persons are expected to gather Thursday, when Dean Schoenfeld of the state college, S. T. White of Salem, and Leslie Scott of Portland will be the guest speakers on this afternoon's program. Thursday morning's program will be similar to that this morning and will include a 30-minute broadcast over KEX from 10:45 to 11:15 o'clock.

Speakers on the program today were Mayor Jacob Berchtold, R. J. (Turn to page 2, col. 1)

Business Swatted By Jackson Again

Monopolists Striking to Liquidate new Deal, Official Charges

WASHINGTON, Dec. 29 (AP)—A charge by Robert H. Jackson that "monopolistic" concentrations of wealth were on strike against Roosevelt policies gave further indications today that the administration would try to fashion new controls over "big business" in 1938.

The assistant attorney general, speaking to the American political science association in Philadelphia, said big business chose this period of recession as a likely time to "liquidate" the new deal and free itself of governmental controls.

The speech was the latest in a series by Jackson, who contends that "monopoly" brought on the recession by raising prices excessively.

Secretary Ickes is scheduled to take up the theme tomorrow night with an address entitled "It is happening here."

These speeches generally are regarded as but a prelude to two which President Roosevelt himself will deliver next week; one on Monday to the newly convened congress, and another on Saturday, January 8, at the annual Jackson day dinner of the democratic party.

11 Vessels Cross Bar; Wind Lighter

ASTORIA, Ore., Dec. 29 (AP)—Eleven steamships crossing the Columbia river bar during a two and one half hour period today when the gale which had lashed the coast for two days subsided.

The Columbia river lights, blown a mile and a half north of her station, was expected to return as soon as she could get her bearings.

A range light was reported washed away at Kalama by the Columbia river current.

The British motorship Pacific Grove suffered minor damage when she side-swiped the Quaker Line steamer San Felipe during the gale Tuesday night near Rainier. The San Felipe was not damaged.

Contract for Jefferson School Job Confirmed

PORTLAND, Ore., Dec. 29 (AP)—A contract for construction of a school at Jefferson was awarded Tom Lillebo for \$38,625, the public works administration announced.

The award to Lillebo was recently announced at Jefferson but was subject to PWA confirmation.

Hamiltons Divorced

TOPEKA, Dec. 29 (AP)—Mrs. Laura Hall Hamilton obtained a divorce today from John D. M. Hamilton, republican national chairman, and custody of their two children.

Rain Downpour Causes Floods In all Creeks

All of Past High Marks Exceeded by Pringle, Mill and Shelton

Old Auto Camp Grounds Submerged; Damages so Far not Large

Barricades were being placed closing the approaches to the South Winter street bridge across Pringle creek early this morning, because of dangerous conditions in connection with the creek's flood which was coursing across the bridge.

Cloudburst-clogged Mill creek, Pringle creek and Shelton ditch last night roared down upon south Salem to create the worst flood condition in some districts known in at least 10 years.

An afternoon deluge of rain nullified much of the flood control system's effectiveness as all three streams left their banks, coursed through city streets and across lots and bridges.

The story was an old one to old residents of the extreme southeast Salem but toward the heart of the city the waters of Shelton ditch and Pringle creek outran all high marks registered in recent years to surround many houses, numerous small stores, service stations and garages.

The old city auto camp grounds was entirely submerged in a lake that extended from below Church street upstream to Winter and from the south of the extension of Oak street to Mill street on the north. Several trailer house residents parked along the stream were forced to flee. Police early this morning were attempting to save one trailer cabin at 12th and Oak streets from being carried away.

Shelton ditch rose to such a height that water gushed between the railing bars of the South Winter street bridge as well as across (Turn to page 2, col. 3)

Governor Invites National Grange

Use of new State Capitol for Meetings Pledged; Policies Praised

Governor Charles H. Martin sent a telegram Wednesday to Louis J. Tabor, master of the national grange at Washington, D.C., urging that the 1938 national convention of the grange be held in Salem.

Governor Martin declared that Salem was located in one of the richest sections of the west and was removed from the confusion attending the metropolitan area. The governor promised the grange the use of the new state capitol, now under construction, for its national meeting.

"There are some farm organization leaders who cannot decide whether to remain AFL or CIO. They think of politics first, labor second, and the farmer third, if at all, in all issues affecting the advancement of the farm industry."

The governor said the grange, to be successful, should be independent.

The recent national grange convention decided to hold its next meeting in Oregon but selection of the town or city in which to hold it was deferred. A number of local organizations are active in the movement to bring the meeting here.

Governor Martin lauded Master Tabor for a recent magazine article, under his signature, in which he discussed the grange and its problems.

Storm Ravages Continue as Rainfall Records Shattered

PORTLAND, Dec. 29 (AP)—Rainfall, which had continued almost unabated since Christmas, closed more Oregon roads today, brought the year's precipitation at Portland to 55.25, the highest since 1882, and delayed repairs to flooded, slide-blocked and washed out traffic arteries.

Toward the coast, the Nehalem river continued to rise and formed a lake in the Nehalem valley. Residents fled with their livestock to higher ground. Mail and food deliveries were made to 15 isolated homes by boat. A flood was reported also in a narrow valley south of Clatskanie.

The Willamette river above the locks at Oregon City rose 2.3 feet in 24 hours. An additional rise of less than a foot would flood the Crown-Willamette paper mills and the Portland General Electric company power plant basin.

Damage to roads and bridges in Washington county was estimated at \$26,000 today by County Engineer J. W. Barney.

All major traffic arteries were reported open tonight. A detour on the west side Pacific highway from Roamer's Rest to Six Corners carried motorists around high water. The Salmon river cut-off from McMinnville to the coast was negotiable. The east side Pacific coast, and upper and lower Columbia river highways were open with one-way traffic around slides in spots.

Other closed roads included Scholl Ferry, Bellevue-Hopewell, Norton to Nashville, Hillsboro-Woodburn, Kings Valley, Nehalem (Turn to page 2, col. 2)

Two Deaths in This Vicinity Blamed on Northwest's Storm

Waldo Zimmerman Is Found Victim of Falling Tree Top; I. O. Conklin's Death Due to Over-Exertion

Flood Conditions Are Widespread in County With 20-Foot Stage Due in Willamette About Noon

A downpour of cloudburst proportions that struck Salem and vicinity yesterday afternoon caused new local floods last night, kept the Willamette river rising steadily and was blamed for the second of two Marion county deaths attributed to storm conditions.

Isak Conklin, 75, died of a heart attack about 5 p. m. yesterday at his residence, 1315 North 19th street, brought on, Coroner L. E. Barrick reported, by overexertion in attempting to remove his wood supply from his flooded basement.

Waldo H. Zimmerman, 52, rancher and member of a pioneer Mehama family, was killed by a falling tree top in the woods north of the Freres logging operation some time after he left his home Tuesday morning to round up cattle, searchers discovered yesterday afternoon. A 12-foot section from the tree, broken down by high winds, struck him on the head.

As rapidly accumulating surface water and flooded small streams steadily encroached on Marion and Polk county roads, the Willamette river continued rising yesterday. By midnight it had reached the 18.1-foot mark, a rise of .16 foot an hour since 5 a. m. At this rate it would reach the 20-foot flood stage by noon today, several hours ahead of the time forecast by the weather bureau.

The weather forecast for today and Friday is occasional rains, although stars shone in a clear sky early today.

To 2.91 inches of rain over Tuesday night was added 1.22 inches yesterday to bring the December rainfall to 12.72 inches, 6.88 inches over the month's average, and the year's precipitation to date at 62.65 inches as against an average yearly rainfall of 37.17 inches.

The Scotts Mills community was isolated when water became too deep for travel on the road to Silverton at a point one mile west of Scotts Mills, state police announced at 7:50 p. m.

Travel over the Salem-Dallas highway was cut off by water streaming over the pavement a short distance west of West Salem, state police were advised at 7:30 last night. It was presumed the same road was closed at Derry, where nearly two feet of water was reported a few hours earlier.

Mill creek waters topped the dikes near the penitentiary annex last night and overflowed even the Southern Pacific company's high railway grade, County Engineer N. C. Hubbs reported at 10 p. m. He said rail traffic was not blocked but Turner road, a veritable river from the annex westward into Salem, was barricaded to all travel. The entire flatlands area west of the annex to Salem was under water.

Penitentiary road was open to traffic but Mill creek waters (Turn to page 2, col. 7)

Gold Hill Man Is Slain, Pair Held

CHANDLER, Ariz., Dec. 29 (AP)—G. W. Seiwert and Jack Munn, charged with murder in connection with the death of Robert MacMann, about 50, of Gold Hill, Ore., Monday night at a ranch near here were held in the county jail at Phoenix today.

A coroner's jury decided MacMann was killed by blows on the head with a blunt instrument, administered by a party or parties unknown. A hammer was found beside the body in a cotton picker's cabin, where deputy sheriffs said a drinking party had been held.

MacMann, who had worked on the ranch for three days, was identified through a soldier's bonus certificate.

Zimmerman Found Victim of Storm

MEHAMA, Dec. 29—Waldo H. Zimmerman, 52, rancher of this section, was struck and killed sometime Tuesday when high winds whipped off the top of a tree in the woods north of the Freres logging operation. His body was not found until today by searching parties organized when he failed to come home Tuesday. The barking of his dog attracted the searchers to the body. Zimmerman, who was a native of Mehama and had resided here all his life, went out Tuesday morning to look after his cattle on the range.

The deceased is survived by the widow, Maude Zimmerman, his mother, Mrs. Minnie Zimmerman, and a brother Otto, all of Mehama. He was born here in 1885. Funeral arrangements are incomplete.

BALLADE OF TODAY

By R. C.

No problem about conversation's topic, though war and strikes at present need replacement; all other themes are rendered microscopic beside "How high's the water in your basement?"