with occasional low clouds along coast, warmer in interior; max. temp. Friday 71, min. 39, river 3 feet, clear, northeast wind.

EIGHTY-EIGHTH YEAR

Salem, Oregon, Saturday Morning, May 14, 1938

Price 3c; Newsstands 5c

No. 41

Mexico Severs Relations With Great Britain

Foochow Entry

Debarkation Is Preceded by Aerial and Naval Bombing, Shelling

Invaders Encircle Half Million Chinese in Lunghai District

FOOCHOW, China, May 14. -(P)-(Saturday)-Under cover of a furious airplane and naval attack Japanese troops landed today near the mouth of the Min river, gateway to this south China city.

This was the second Japanese attack on the Fukien province coast within a week, the other being at Amoy which now is under Japanese control.

The size of the landing force could not be determined. De-tonations of the bombs and shells were audible in Foochow, indicating that both planes and warships were attacking.

The landing was reported to have been made ten miles south of the Min river's mouth

SHANGHAI, May 14 .- (AP)-(Saturday)-Japan's armies, swiftly nearing the Lunghai railroad from north and south, today virtually had sealed 400,000 Chinese troop in a tight circle on the vital central front.

Chinese Admit Giving Ground eagled around the dwindling territory they are defending between

Japan's conquests in north and central China. Apparent imminent success of Japan's months - long efforts to line, endangered the defenders' whole resistance on the seaboard.

China's armies, Japanese declared, would be trapped without hope of escape, Japan's northern joined and Suchow, where the important north-south Tientsin-Pukow railroad crosses the Lunghai, no longer could be defended. Early Cutting of

Lunghai Line Predicted A Japanese army spokesman early today declared the Lunghai

would be cut within a few hours Japanese declared 20,000 Chinese soldiers had been killed in 24 days from April 14 to May 6 on the Shantung province front no action has been taken, by the great Japanese campaign against Suchow to redeem the blow six weeks ago at Taierchwang. There the offensive collapsed under the most crushing of a modern Japanese

Chinese were counterattacking desperately at Mengcheng, 75 miles south of the Japanese vanguard at Tangcheng, in an attempt to break the Japanese lines. cheng, now far behind the Japanese front, after the city's walls were demolished in a three-day attack by Japanese planes, tanks

Clerks Seek to End Injunction

OREGON CITY, Ore., May 13-(A)-Circuit Judge Carl Hendricks idday took under advisement a motion by the Retail Clerks' union for dismissal of an injunction preventing picketing of stores

The motion was opposed by the Associated Merchants of Oregon, Clackamas branch, which obtained the temporary injunction.

ddities . . . in the News

NEW YORK, May 13-(A)-How-ard Lipson staked 4 against minus today and won by a photo finish. Summoned to court on an illegal parking charge, Lipson's first act was to ouy a camera in a nearby drug store and photograph his car from all angies. The pictures convinced Magiscar was not parked in a restricted zone, and the charge was dis-missed. If he had followed the form chart, it would have cost Lipson a \$2 fine, instead of the mere \$4 the camera cost

NEW YORK, May 13-(A)-Mor-ris Kutler-Held by police as the 'phantom burglar' responsible for scores of breaks in Queens to end the international policy of thy but Chinese sources declared non-intervention in Spain's civil some powers, including Britain the lack of honor among thieves. war, but in the league council's and France, had agreed to grant and his After a two-day search de-vote on his resolution was bitter China credits for purchase of revolt. tectives found Kutler's apartment | medicine for France and Britain, arms and also assuring of aid in | The presidential offices, mean- off. in the Bronx. Protecting the furniahings, including numerous articles identified by the "phantom's" victims, was an elaborate burglar alarm.

In the Bronx. Protecting the furnithment of the 15 nations voting, only two, Poland and Rumania, foilowed France and Britain is rejecting the arms into the country.

The council arranged to go on public record as flatly refusing material aid.

The presidential offices, meanture of the arms into the country.

The council arranged to go on public record as flatly refusing material aid.

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Japanese Land Ross Says Rates May Soldiers Near Ross Says Rates May Be Lowest in Nation

Wallacissays Rate Is Fire lills per KWH, Present Load Factor

Would Approach two Mills if Consumption Went Bonneville Rate Lower to 100 Per Cent of Time, Commissioner Says; Governor Hopes for Still Lower Figures

Utilities and utilities districts will pay five mills per kilowatt hour for Bonneville power, based on a 42 per cent load factor, if the primary rate of \$17.50 per kilowatt year announced yesterday by Dam Administrator J. D. Ross is finally adopted, it was estimated here late yesterday by N. G. Wallace, state utility commissioner.

paying much less.

to use all the power possible."

Customers buying one kilo-

watt year, for instance, would

(Turn to page 2, col. 2)

Price Bill to Go

Needed to Clear Away

Injunction Action

Reports that the anti-price dis-crimination bill enacted by the

error last night oy Attorney-Gen-

will go into effect whenever Cir-

cuit Judge L. S. Lewelling enters a default judgment.

tack on Senator William L. Dick-

son's bill was George C. Stanley,

er time. However, the injunction

grounds being that there were

errors in the copy of the act

(Turn to page 2, col. 1)

fishing boat Maxine M escaped

from the south jetty in Coos bay at low tide tonight by leaping

R. S. Magnussen, owner of the

ren Christensen, the crew, were

stranded on the jetty for six hours

aground in heavy seas. None was

five tons of fish were total losses.

forts to reach the men failed. Coast guardsmen finally

could not put off again.

and wading from rock to rock.

Rescued, Helpers

attached to the petitions.

The attorney-general's

Portland Mill to Ouit CIO Dicker cent," Wallace said.

West Oregon Manager Says Majority of Workers Petition for AFL

PORTLAND, Ore., May 13-(AP) -A. E. McIntosh, manager of the West Oregon sawmill, broke off Chinese acknowledged they contract negotiations with the were losing ground against dozens CIO today and said he would acof Japanese columns spread- cede to AFL demands to enter contract discussions.

McIntosh declared that "according to my interpretation of the law, I'm forced to accept the AFL request to negotiate because a petition presented by the AFL reach the east-west Lunghai, cen- contains the names of a majority tral China's main communications of my employes. It represents almost 95 per cent of the men currently employed."

The national labor relations board certified the CIO as bargaining agency for all local mills following a union jurisdictional dispute which started last August

"I don't know what the NLRB will think, but I hope the board will not throw anything in the 1937 legislature went into effect way of steady operation of our

mill," McIntosh said. AFL petitions to be accepted as bargaining agency, accompanied the apparent default yesterday of by signed lists of asserted majori- the defense in an injunction suit ties in all sawmills, were filed in the Marion county circuit court with the NLRB some time ago but | means that the law presumably

Probe of Voting Illegality Asked Eugene grocer. He led the campaign to file referendum petitions and they were filed in prop-

OREGON CITY, Ore., May 13 suit to prevent the measure go-(P)-Governor Charles H. Martin ing on the ballot was filed here. today ordered Charles Pary, superintendent of state police, to make an investigation of asserted illegal voting here and report to

In a telephone conversation from Salem, the governor said he took the action after a delegation of Clackamas county war veterans appeared at the capitol to demand a special investigator or prosecutor.

Pary was here today, but did not disclose whether he had taken

any action. The veterans previously complained to District Attorney Fred A. Miller that immigration office records at Portland showed at least four persons voting illegally in Clackamas county.

Portland Poster Wins First prize in a national poster contest held in connection with Airmail week was awarded today to Rosemary Niederle, of 6497 Vancouver avenue, Portland, Ore. prize poster was selected from those submitted by 48 state

Power Charge Schedule for Dam Revealed

Than TVA, Equal to Boulder Project

Primary Charge \$17.50 for Kilowatt Year Delivered Is Set

The rate would approach two J. D. Ross, Bonneville power admills per kilowatt if power were ministrator, said today he had consumed 100 per cent of the time asked the federal power commisinstead of the present 42 per sion to permit sale of power from the big government plant on the "This means," Wallace ex- Columbia river at rates lower "that if Oregonians use than those of any private utility

only as much power as they do in the United States. He said the proposed schedule now, the retail rate for residential lighting would remain at calling for a wholesale rate of about three cents per kilowatt \$14.50 a kilowatt year at the hour. If they use power 100 per generators, or \$17.50 delivered, cent of the time, they would be would place Bonneville on a par with Boulder dam and give it rates lower than those of the "The object of the kilowatt year Tennessee Valley Authority. basis is to encourage users of Also Figure Below electricity to purchase all the pos-

sible appliances they can and Tacoma, Says Ross He added the charges also would figure below the wholesale

the country.

"Everything will be sold from Monneville at wholesale, excepting in the case of industries at the dam," Ross said after the Route Encroaches on OE Into Effect Soon power commission had published his nine proposed rate schedules.

Default Order by Court Is Rates at the power plant, with purchasers providing their own transmission lines-for resale \$14.50 a kilowatt year for prime power; \$9.50 a kilowatt year for secondary power; and 2.4 cents chased at the damsite for use by the purchasers.

Rates Based on Use Of Bonneville Lines Rates for power delivered to elay points on the Bonneville transmission system, for resale only-prime, \$17,50 a kilowatt (Turn to page 2, col. 1)

Waley Draws Map, Kidnap Hideaway

SAN FRANCISCO, May 13-(AP) An affidavit together with a rudely-drawn map showing the hideaway of George Weyernaeuser, kidnaped son of a Tacoma, Wash., lumberman, was filed by Harmon Metz Waley in U. S. district court today in his effort to win freedom from Alcatraz through habeas corpus proceed-

Escape on Rocks The prisoner, serving a life sentence for the \$200,000 abduction in 1935, contended his sen-tence was invalid because, he MARSHFIELD, Ore., May 13-P-Four coast guardsmen and out of the state of Washington three sallors from the wrecked before he was released. An "X" on the map, indicating a hideaway near the Idaho state line, was cited in support of this claim. Waley declared he confessed falsely to taking the Weyerfishing boat, Pete Hansen and Sohaeuser boy outside of Washington because he wanted to protect his sick mother and his wife, and after the 40-foot craft was washed because he "relied on the ego of J. Edgor Hoover in wanting publicity" to gain his end. injured. Previous coast guard ef-

reached the jetty in a dory, but Savs Rio Rebels Had Outside Aid

RIO DE JANIERO, May 13-(AP) Pres. Getulio Vargas declared tonight fascist integralists who be-sieged his presidential palace in an abortive putsch Wednesday did so "with foreign help."

"As we repelled extremists of the left in the recent past, so toextremists on the right," Vargas said in addressing a celebration

Circuit Court Puts new View On Wagner Act

Holds Employer Can not Be Penalized if He Acts Sincerely

NLRB Reversed Third Time Within Week, Kentucky Bench

COVINGTON, Ky., May 13-(AP) -Reversing the national labor relations board for the third time within a week, the sixth US circuit court of appeals held today that an employer cannot be accused of "discrimination" when his repeated and "sincere" at tempts have failed to produce agreement on a labor policy. The opinion set forth a new interpretation of the Wagner labor act.

The decision by Judge Florence E. Allen declared that the board's findings against the Sands Manufacturing Co., of Cleveland, makers of heaters and valves, were not substantiated by the evidence. In May and August, 1935, the Sands plant was closed by strikes. The NLRB order, issued in May, 1936, directed that 48 men, assertedly locked out, be reinstated with back pay. The labor board sought enforcement and charged discrimination. Finds Negotiation

Sincerely Attempted Judge Allen found evidence that the Sands company negotiated (Turn to Page 3, Col. 1)

nicipal power plant, which at present has about the lowest in

Right-of-Way, Found; Part May Proceed

Delay caused by the possible necessity of securing easement deeds from the Oregon Electric railway for certain rights-of-way along the projected line of ima kilowatt day. Identical rates along the projected line of im-were proposed for power pur-provement on the south river road may greatly hinder completion of the project this year.

This developed yesterday at a conference between the county court, Oscar Cutler, market road engineer, and Hedda Swart, project engineer for the state high-

way commission. Discovery that the presen county right-of-way in some places overlaps the railroad rightof-way is the snag that may hold up the proposed oil rocking of the stretch south from Roberts to

Whether easement deeds which the railroad com pany in 1911 agreed to give to the county were ever given will be the object of a record search to determine whether the county need get further deeds. If the deeds supposedly given in 1911 are found it will (Turn to page 2, col. 4)

1000 Oddfellows Ready For Pendleton Conclave

PENDLETON, May 13.-(AP)-The state convention of Odd Fellows and Rebekahs opening here declared, the boy never was taken Sunday, will attract approximately 1000 delegates, S. F. Bowman, general chairman, said today. The session will continue for five days.

Late Sports

PORTLAND, May 13-(A)-The University of Portland baseball team rapped out 27 hits for 27 runs to win both ends of a dou ble-header baseball game with Oregon Normal school today. Scores were 13 to 9 and 14 to 8, both in seven-inning pames. Portland will meet the Willa mette university squad tomorrow

EUGENE, May 13-(P)-The University of Oregon's golfers defeated the touring College of Puget Sound links tea 1, 201/2 2 today, winning the bestball foursomes and losing only two points in singles play Ben Hughes, Oregon, was mcdalist with a sub-par 70.

sion showed his first big spend- recently, recommended to coning program was a failure. NEW YORK, May 13.-(AP)-Two-ton Tony Galento, the barrel-Instead, he blamed business methods for many existing ecoshaped gent from Jersey, knocked out Nathan Mann, New Haven, his athletic figures of speech-Conn., heavyweight, in the second declared business had run away round of a 10-round bout at Madison Square Garden tonight. The His statement about business methods recalled his past remarks pudgy Galento weighed 232;

nial of the abolition of slavery only four punches in the two and his escape from Wednesday's rounds the fight lasted, but each revolt.

Tony connected solidly with sure salesmanship, and certain prices he considered too high.

Much of today's conference was gers, director of last fall's centered to discovered to discovere

WI League Scores Bellingham 3, Spokane 2. Vancouver 9, Tacoma 2, Wenatchee 4, Yakima 7,

Social Security "Not Attained"



CHARLES A. SPRAGUE

Pump Priming Is **Held no Solution**

Business Have Energy to Bring Normalcy

PORTLAND, Ore., May 13.-(AP) Dynamics of the American agricultural, commercial and indusrial machine, brought to normal function through wise administration, would create new income of ten to twenty billions of dollars a year, Charles A. Sprague, candidae for the republican gubernatorial nomination, declared in radio campaign speech tonight. Sprague assailed proposed business pump priming.

with the ultimate goal of social families in cluding 20,000,000 persons on relief rolls."

"Instead of security, fear stalks the streets," Sprague said. "It halts the purchase of goods. It

causes unemployment." He urged an end to the "civil

Resolution Pigeonholed

Senate Committee Yields to Hull Warning Against Aid to Spanish

WASHINGTON, May 13.-(AP)-The senate foreign relations committee, given a blunt warning by Secretary of State Hull of the "unnecessary risks" that would be involved, pigeonholed today the Nye resolution to permit arms cide whether the sailors' union or

With only Senator Pope (D-Idaho) opposing, the committee voted 17 to 1 for a motion by (Turn to page 2, col. 1)

Gillespie Hunt Is Without Success

ASTORIA, May 13-(AP)-Sheriff Paul Kearney returned today and reported an unsuccessful two-day hunt for Ray Gillespie, whose parole was ordered revoked following a recent conviction on an assault and battery charge at

He filed a motion this week that pied at his home. his plea be changed to innocent and that he be permitted to stand

Business Methods Blamed by

Gives 'Unfriendly' Attitude of London As Reason for Act

Minister Primo Villa Michel, Legation Staff Withdrawn From London by **Foreign Relations Division**

Increasingly Sharp Protests on Oil and Other Debts Attributed as **Major Motivating Factors**

MEXICO CITY, May 13 .- (AP) -Mexico severed diplo-

matic relations with Great Britain tonight. . The government's foreign relations department announced the withdrawal from London, "in view of the un-Sprague Says Agriculture, friendly attitude" of the British government, of her minister

Primo Villa Michel and the legation staff. This country's drastic action followed Britain's increasingly sharp protests at President Lazaro Cardenas' expropriation March 18 of British-owned oil properties and Mexico's delay in payment to Britain of claims growing out of Mexican civil wars.

(On that date Cardenas took over the \$400,000,000

British and American owned |foreign oil industry in Mexico.)

It was expected Great Britain

withdrawal of her minister to

Mexico, Owen St. Clair O'Malley.

had as yet received no advices

from London. He added that he

probably would not decode until

norning any cable arriving from

the British foreign office tonight,

fied of Mexico's decision when he

called at the foreign office this

afternoon to receive thecks for 361,737.17 pesos (about \$64,518) due as an annual installment on

He had several times protested

delay in payment of the amount, most recently in a stiffly worded

note dated Thursday which said

Mexico's "attitude toward govern-

ment indebtedness generally"

4 Die, 50 Hurt in

Columbia Rioting

BOGOTA, Colombia, May 13 .-

P)-Four persons were killed and

50 wounded in disorders in three Colombian cities, belated advices

A decree was issued by Pres.

Alfonso Lopez prohibiting any

demonstrations or radio broad-

casts of news relating to public

disorders following the outbreaks

The four dead were at Pasto,

attacked the government

in Pasto, Popayan and Cartagena.

capital of Narino state, where stu-

dents, strikers and an angry

palace. The palace guard was

The demonstrators, demanding

freedom of prisoners in Paste

jails, took possession of the palace

and burned some of its archives

Popayan when a bomb exploded

the civil war cisims.

Toward Debts Scolded

"far from reassuring."

said tonight.

and furniture.

Mexican Attitude

The British minister was noti-

O'Malley said this evening he

Britain Expected to

Withdraw Minister

ruce Called. Tacoma Docks

Longshoremen Return to Work; Seamen Also Back at Seattle

TACOMA, Wash., May 13-(AP)-Longshoremen worked cargo 10-day labor truce halted the waterfront shutdown here and forestalled a serious shipping tie-

Several hours after the 14-day shutdown ended here, first longshore crews were called to work

ore carriers. The truce terms included: Employers lifted their suspension of relations with AFL-affiliated Tacoma longshoremen, who had refused to pass a Sall-ors' Union of the Pacific picket line to work the Shepard line

freighter Timber Rush. The Timber Rush was moved to Seattle with its CIO national mar-

itime union crew. During the 10-day truce period the independent sailors' union of the Pacific, the federal labor dethe labor relations board will conduct east coast conferences to deshipments to the Spanish govern- the NMU will furnish Shepard

> No Shepard line ships will enter Tacoma harbor in the mean-

Harry Lundberg, SUP secretary, planned to fly east for the Seattle seamen and firemen who left their ships late Thursday as reprisal against the Tacoma

closure, reported back aboard to-

day after the truce was voted.

Tenants, Landlady Run Afoul of Law there

ALBANY, N. Y., May 13.—(P)—
Gillespie was sentenced to three years in the state prison and paroled after pleading guilty to charges of participation in a labor riot at Seaside in which two were killed two years ago.

ALBANY, N. Y., May 13.—(P)—
Dean A. Kurtz and Wesley Cruik-shank were sentenced to 10 days in the county jail after they pleaded guilty to a complaint by John Pflug that they failed to pay rent for a room they had occurrent for a room they had occurred at his home.

soliciting clothing and funds on the alleged misrepresentation that Kearney said his office and they were for the Salvation Army in a complaint signed the follow-efforts to take Gillespie into custody.

The administration attempted

to reach these problems in an ex-

perimental way through the NRA.

he said, but had to abandon this

approach when that act was held unconstitutional. Consequently the president added, the problem

Deferred to 1939 Mrs. Pflug was charged with

Kearney said his office and state police would continue orts to take Gillespie into stody.

Business Methods Blamed by Roosevelt, Recession Cause

Reserved to take Gillespie into state police would continue in a complaint signed the following day by Captain Marabelle Earley of the Salvation Army.

Dedication of Oregon's new in a complaint signed the following day by Captain Marabelle Earley of the Salvation Army.

Susiness Methods Blamed by the Capitol reconstruction commission, announced yesterday.

It originally was planned to hold the dedication ceremonies when the building is turned over to the state in July.

to the state in July.

The legislative ball will be made a part of the dedication pro-WASHINGTON. May 13-(A)- between government and business.
President Roosevelt at a press told reporters he hoped the probconference today denied charges lem would be included in the of his critics the present depres- study of anti-trust laws which he new building in July will use their present furnishings for several months. The new office furnish-

ings were not expected to arrive here until early in September. The work of placing the carpe in the house of representatives was under way yesterday while outside workmen were removing

Girl, 3, Drowned

tion for the Circuit Rider, east of

devoted to discussing the prevention of swollen inventories, accumulations of unsold products. The president, who has urged in ployed while 2,011,615 were do the past that the question be approached through consultations (Turn to page 2, col. 2) last night

Anglo-French Leadership in

League Suffers Severe Blow of nations suffered a severe blow at its prestige today as two war- ative. torn nations, China and Spain, sought moral and material help leadership was in the rine ab-in this capital of collective se- stentions including even Beisium.

White-haired Julio Alvarez Del Vayo, representative of govern-

GENEVA, May 18-(AP)-Anglo- to turn it down since only Soviet French leadership in the Jeague Russia joined Spain-the latter being given a temporary place at the council table—in the affirm-

The blow to the Anglo-French previously the most loyal follow-

ment Spain, lost a drametic fight only warm expressions of sympa

public record as flatly refusing room at the presidential palace.

His statement came after Foreign Minister Oswald Aranha returned by airplane from Rio Grande Do Su with a police dossier on German nazi activities in that state.

He declared he had no quarrel security but "we have not attained

stops investment of capital.

war that is paralyzing industry."