

O'Connell "Rescued" by Jersey City Police

Tanks Leading Chinese Drive Near Railway

Fighting at Lanfeng is bloodiest of entire war, foes agree

Party of Chiang's Army Participates; Town's Capture Disputed

SHANGHAI, May 28.—(AP)—Flame-spitting tanks led a Chinese counteroffensive that turned the scattered fighting along the Lungshai railroad today into one of the major battles of the undeclared war.

Both sides declared the fighting at Lanfeng, 28 miles east of Kailfeng, was as intensive and bloody as any in more than 10 months of warfare.

Chinese reported several villages razed and more than 1,000 Japanese killed in fighting that spread along the railroad almost to Kweih, 59 miles east of Lanfeng.

Japanese themselves said 20 Chinese divisions, including about 150,000 well-equipped soldiers, were making a stand at Lanfeng comparable in scope to the defense of Suchow, which fell just a week ago after a fierce month-long battle.

The Chinese forces were said to include fresh troops and units of Generalissimo Chiang Kai-shek's crack central army which escaped when Suchow fell.

Chinese reported a tank-led column had recaptured Lanfeng, important as a key to the defense of vitay Kailfeng, just south of the bend of the Yellow river.

Japanese disputed the report but admitted their drive inland toward Hankow, seat of China's government was "interrupted" and that tanks had led a Chinese assault on Lanfeng.

An increasingly large number of modern tanks, some equipped with flame throwers, have bolstered the Chinese line. Japanese reports said, indicating the defense troops' strength is by no means spent.

Chinese declared the recapture of Lanfeng had broken Japan's pressure on Kailfeng, which the Japanese must capture to reach Chengchow, junction of the Lungshai and the important North-South Peiping-Hankow Railroad.

Carroll Acquitted On Insanity Claim

NEW YORK, May 27.—(AP)—Donald Carroll, Jr., a thin, bookish youngster of 16, who shot his 18-year-old sweetheart to death, was acquitted of murder tonight.

The boy had testified he killed Charlotte Matthews because she was pregnant and in terror of imminent social disgrace, she begged him to.

The verdict, not guilty by reason of insanity, left his "tragedy of adolescence," as slain Charlotte's mother, Mrs. Fred Matthews had called it, still not ended. County Judge Downs directed that Donald be sent to gloomy, old Bellevue hospital for observation in the psychopathic ward, saying that if experts there thought him insane now, a hearing would be held to determine whether he is to go to a state institution.

Oddities in the News

SAN FRANCISCO, May 27.—(AP)—A first birthday celebration for the \$35,000,000 Golden Gate bridge, which hasn't shown any signs of falling down, was delayed today because the fancy, three-decker natal cake collapsed right in the middle.

Directors of the bridge district and city officials gathered at the toll house restaurant to cut the cake and feted the first anniversary of the world's longest suspension bridge.

But on route from the bakery, the 18-inch cake had been shaken into a sorry looking affair. The luncheon party was delayed nearly an hour while a substitute cake was obtained.

WASHINGTON, May 27.—(AP)—The treasury received the following letter today from a St. Paul, Minn., resident:

"I have for some time had an income from which no tax has been paid. To relieve my conscience on this score I enclose herewith four \$100 bonds. Will thank you for no further investigation."

Another letter from a San Francisco clergyman, contained a check for \$630 and a note saying, "I am acting as an intermediary to transmit to you the engaged as a conscience money."

NEWSPAPER STRIKE ENDS AFTER CLASH



Shortly after police dispersed pickets of the American Newspaper Guild from in front of the Duluth, Minn., News-Herald with tear gas, an agreement was reached and employees ended their eight-week strike. This photo was taken after police fired the first tear gas bomb, opening a way for workers to enter the plant. Some 500 persons were routed by the barrage. The strike was voted April 8 and publication of the News-Herald was discontinued April 8, when the plant was picketed.—H.N.

Caples Is Freed In Beating Case

Found not guilty; Defense Says Grudge of Garner Accusation Cause

PORTLAND, Ore., May 27.—(AP)—A circuit court jury which deliberated less than four hours found Robert F. Caples, Columbia river pilot and former member of the state pilots' commission, innocent of a charge of assault with a dangerous weapon.

Caples, arrested in an elaborate state-wide campaign against alleged labor terrorists, was accused in connection with the beating of Captain J. L. Jacobsen, independent pilot.

In a closing argument, District Attorney James Bain declared Caples was "dictator of the Columbia river," and had become "drunk with power." Caples, Bain asserted, had overlooked no opportunity to keep independent pilots, not members of the AFL masters, mates and pilots union, from piloting boats.

Bain accused Caples of being the higher-up in the beating of Jacobsen and Captain L. O. Hordford, another pilot, last September.

Former Governor Oswald West and Circuit Judge James F. Stapleton led a parade of character witnesses to testify for the defense earlier in the day.

Defense Attorney Ashby C. Dickson asserted Edwin L. Garner, former official of the union, (Turn to page 2, col. 4)

UP Track Raising To Give 300 Jobs

HOOD RIVER, May 27.—(AP)—The Union Pacific railway announced today plans for a \$1,500,000 project to raise the tracks between Cascade Locks and The Dalles to clear the Columbia river high water level created by Bonneville dam.

The job will employ about 300 laborers and 50 engineers and skilled workers for approximately two years.

Construction has begun on spur tracks to accommodate three work trains.

The chamber of commerce here has listed vacant houses available for engineers and technicians.

Jones Picked for Conservation Post

OSC Graduate to Succeed Dennison as Assistant County Secretary

The Marion county agricultural conservation committee, Albert G. Gird, chairman, has selected Robert Jones, who Monday graduates from Oregon State college, as assistant secretary of the soil conservation setup here.

Jones succeeds John Dennison, who has been working under Secretary Harry L. Riches. Dennison resigned to accept a civil service appointment as agronomist with the US engineers in Pennsylvania. Dennison left last night for that state.

Jones will assume his duties here June 1. He has majored in farm crops at the state college and has had experience with the soil conservation program through supervision work done the past three summers for the Benton county soil program. He is a Benton county young man. The soil program is carried on through the office of County Ag. Riches.

Taxpayers Upheld On Ledford Cost

ST. HELENS, May 27.—(AP)—Circuit Judge R. Frank Peters denied a demurrer, filed by the state, to taxpayers' action to enjoin Columbia county from paying witness fees for the trial of Mrs. Agnes Ledford, convicted of poisoning a stepdaughter.

Plaintiffs claimed violation of a law limiting witnesses called at the county's expense to five. The district attorney and defense counsel contended the statute was obsolete.

Food Distribution Program At Relief Center Improved

A new system of foodstuffs distribution to Marion county relief centers designed to eliminate the likelihood of partially being shown and to simplify this service will go into effect next Wednesday, Glenn C. Niles, executive secretary of the relief committee, announced yesterday.

Permanent commodity cards entitling the holders to the customary once a month call on the relief warehouse for surplus federal commodities are being sent out to all eligible relief families.

Carrying these cards, the relief recipients will no longer be forced to call on the relief case workers every month to secure food requisitions. Instead they will present their cards directly at the warehouse counter and receive whatever commodities are on hand.

To prevent recurrence of claims

Tennessee Battle Of Ballots Raging

Governor Sets up Police Force, Orders Seizure of Election Books

MEMPHIS, Tenn., May 27.—(AP)—Gov. Gordon Browning swiftly set up a special state police force here today, charging "citizens are being threatened, assaulted and intimidated" in this stronghold of his political enemy, E. H. Crump, the Memphis leader.

M. N. Lowry, 39-year-old former railroad special agent, was named acting chief of the new unit, created under a 1919 law never before invoked. Lowry immediately swore in 30 to 40 special officers.

Another named the Ford Motor Co., the Universal Credit Corp., and its divisions, and Edsel Ford and J. Edgar Ford.

A third was against the Chrysler Corp., the Chrysler Sales Corp., the Dodge Brothers Co., the DeSoto Motor Corp., the Plymouth Motor Corp., and the Commodore Corp.

Progress in the settlement of the last of the disagreements over right-of-way damages along the Salem-Stayton water supply pipeline was reported at last night's water commission. A special committee consisting of Commissioners E. B. Grabenhorst and O. A. Olson said they hoped to be able to announce next week that complete releases based on final payments to be agreed upon soon had been secured from five members of the Porter family in the Aunsville district.

The Porters and C. F. Helm, relative by marriage, chose to accept right-of-way easement contracts leaving settlement for damages to be made later.

Little other business was transacted at the brief special meeting. The commission ordered that all customers be notified that the new summer reduced rates were in effect.

Churches Council Declared Radical

MILWAUKEE, May 27.—(AP)—Dr. Frank W. Wines, leader of the National Fundamentals convention, assailed the Federal Council of Churches of Christ in America today as communistic and modernistic.

The Detroit and Fort Worth ministers uttered his denunciation while the Northern Baptist convention was in session in a nearby hall. The Northern Baptists are affiliated with the federal council.

"This council is a large radical, pacifist organization. It probably represents 20,000,000 Protestants in the United States, but its leadership consists of a small, radical group which dictates its policies."

"I saw with my own eyes officials of the federal council of churches promote the sidown strike last year in Michigan and this side of the year in the principal cause of the present depression."

And, secondly, he asserted, it "actually abandons" the principle of dividing the cost of government among those best able to pay. He said that under the capital gains section the tax rate is the same whether the increase in personal wealth be \$5,000 or \$500,000.

C. E. Steinko, Salem, received the Scabbard and Blade award.

Three Largest Auto Firms to Face Charges

General, Ford, Chrysler Accused of Sherman Law's Violation

Financing Companies Are Injured, Is Claim in Indiana True Bills

SOUTH BEND, Ind., May 27.—(AP)—A federal grand jury returned indictments here late today charging three large automobile companies with conspiracy to violate the Sherman anti-trust law.

The indictments named General Motors Corp., Ford Motor Co., and Chrysler Corp., their affiliated finance companies and 50 individuals.

They charged the companies with conspiring to promote monopoly by coercing dealers to finance car sales through the companies' own finance firms, Dist. Atty. James R. Fleming said.

Charges against the three motor companies were contained in three separate indictments. These alleged, the district attorney said, that the companies conspired to violate the Sherman law by interfering with interstate commerce for promotion of monopoly; and that their action caused "irreparable damage" to small automobile finance companies.

One indictment was against the General Motors Co., the General Motors Sales Corp., the General Motors Acceptance Corp., and 19 individuals, including Alfred P. Sloan, Jr., and William S. Knudsen.

Another named the Ford Motor Co., the Universal Credit Corp., and its divisions, and Edsel Ford and J. Edgar Ford.

A third was against the Chrysler Corp., the Chrysler Sales Corp., the Dodge Brothers Co., the DeSoto Motor Corp., the Plymouth Motor Corp., and the Commodore Corp.

Last of Pipeline Cases Nears End

Progress in the settlement of the last of the disagreements over right-of-way damages along the Salem-Stayton water supply pipeline was reported at last night's water commission. A special committee consisting of Commissioners E. B. Grabenhorst and O. A. Olson said they hoped to be able to announce next week that complete releases based on final payments to be agreed upon soon had been secured from five members of the Porter family in the Aunsville district.

The Porters and C. F. Helm, relative by marriage, chose to accept right-of-way easement contracts leaving settlement for damages to be made later.

Little other business was transacted at the brief special meeting. The commission ordered that all customers be notified that the new summer reduced rates were in effect.

Cricketers Advance In Black Hordes

SHERIDAN, Wyo., May 27.—(AP)—Three towns in the heart of the western cattle country today staged a wild roundup but it was crickets and not dogies the citizens sought to control.

By the million the black hordes defied the poison guns of hastily mobilized relief workers and marched on Sheridan and Parkman and Ranchester, north of here.

The insects climbed a "ring of steel" that townspeople had erected near Sheridan to turn them back and kept on toward town. Tonight they had reached the railroad tracks on the north of the city where they momentarily were halted.

At Ranchester and Parkman the cricket fighters poured oil on irrigation ditches that flanked the towns on the side from which the invasion was threatened. Temporarily this maneuver halted the crawling hordes.

Part of McKenzie Pass Open Sunday

BEND, May 27.—(AP)—W. S. Hodge, maintenance engineer for the state highway department, estimated four days would be required to complete opening the McKenzie highway by clearing the big cut east of the lava beds of snow.

German Press Ceases Attacks Upon Czechs; Peace Moves Mutual

Only one new incident occurs; Sudeten German's Student Rally Postponed, Also Parliament Session due to Question of Demands

BERLIN, May 27.—(AP)—As if by order, the German press today ceased abruptly to blast against Czechoslovakia and western democracies it accused of pro-Czechoslovak sympathies.

The lull in the war-like talk was said in official quarters to be due to Reichsfuehrer Adolf Hitler's firm determination to preserve peace in spite of "provocations" by the Czechoslovaks.

Among these "provocations" were the defense preparations of last week and alleged border violations by military airplanes.

The only new incident reported today was in Kaplice (Kaplitz), north of Linz, where an Austrian German farmer allegedly was ill-treated by Czechoslovak soldiers because he could not produce his identity card.

It was announced a rally of (Turn to page 2, col. 3)

Survey Proposed On Shelton Ditch

City Officials Object to Hit-and-Miss Method of Flood Control

The county court yesterday received a proposal from a delegation of Salem city officials that it join in the employment of an experienced drainage engineer to survey the Shelton ditch situation and make recommendations as to a solution of the recurring winter flooding problem it has created.

Mayor V. E. Kuhn told the court he believed it foolish for the city to continue hit-and-miss operations along the ditch and said a real solution to the problem should be sought. He expressed the opinion that the first improvement needed was design and construction of a permanent diversion work at the head of Shelton ditch, which starts from Mill creek southeast of the penitentiary.

Court members indicated they were inclined to agree with the city and both groups decided the state should be asked to join in the selection and hiring of an engineer. The state maintains a diversion dam on Mill creek to take water through its penitentiary power plant.

Alderman Fred A. Williams, chairman of the city council sewerage and drainage committee, and Alderman E. B. Perrine, chairman of the street committee, also attended the conference.

Cells at Prison Here Said 'Worst'

PORTLAND, May 27.—(AP)—Dr. Philip A. Parsons of Eugene, citing a need of prison reform in Oregon at a civic club meeting today, described cell blocks at the state prison at Salem as among the worst in the United States.

The prison, he asserted, contained 30 more prisoners than its supposed maximum capacity and many cells designed for but one inmate contained two or three.

He urged that advocates of prison reform organize to go before the next session of the legislature to demand desired action.

President Allows Tax Bill To Become Law; Won't Sign

ABOARD ROOSEVELT TRAIN EN ROUTE TO HYDE PARK, May 27.—(AP)—President Roosevelt let the new tax bill become a law without his signature tonight, adopting this unusual procedure as a means of calling "the definite attention of the American people" to what he considered two vital defects.

The measure, he said, may restore "certain forms of tax avoidance," because it retains but a remnant of the old tax on profits which corporations hold in their treasuries instead of disbursing as dividends upon which stockholders must pay income tax.

And, secondly, he asserted, it "actually abandons" the principle of dividing the cost of government among those best able to pay. He said that under the capital gains section the tax rate is the same whether the increase in personal wealth be \$5,000 or \$500,000.

Says Brutally Handled; Chief Denies Charge

Congressman Is Scared, Welcomes Protection of Officers, Held

But Montanan Declares Crowd Was for Him; Several Injured

JERSEY CITY, N. J., May 27.—(AP)—Rep. Jerry O'Connell, (D-Mont.), bitter foe of Mayor Frank Hague, made a brief appearance at Pershing field tonight but was whisked away by police before he could deliver a prepared speech assailing the state democratic leadership.

Taken by automobile to a police station two blocks from the stadium, he was censored for a few minutes with high police officials and then taken to the Journal Square station of the Hudson and Manhattan railroad.

From there he took a train to Newark to visit New Jersey CIO Director J. Carney before returning to Washington. Earlier O'Connell said he planned to leave Washington June 2 for Butte, Mont.

He was in Newark he unleashed a verbal blast at Jersey City police officials, charging he was "handled very brutally." Director of Public Safety Daniel Casey of Jersey City, in a statement, quickly denied the charge.

"We're taking his home," said Casey as he left the Central Ave. station with O'Connell. "He wanted to go home. He's perfectly satisfied. He says the police treated him fine."

CIO Member Found In Dazed Condition Later, spokesman for the committee sponsoring O'Connell's appearance said Sam Macri, sub-regional CIO director for New Jersey, was found "in a dazed condition" at Pershing field by CIO members.

The Montana democrat had planned to defy the city ordinance prohibiting public speeches and meetings without permits. He appeared at police-guarded Pershing field shortly after 7 p. m. (EST). A crowd estimated by police at between 10,000 and 15,000 were there and some quickly recognized him.

Some yelled to him to make his speech. Others shouted "kill him," "throw him out." The crowd surged toward him and fists flew. Police rushed in, grabbed O'Connell and sped him to a waiting car. It was all over in a few moments.

Asked later if anyone had hit him, O'Connell said, "Nope, not a whole." Says Congressman Was Much Pleased

Capt. William V. McLaughlin, commanding officer of the precinct where O'Connell was taken, said the congressman "was very" (Turn to page 2, col. 1)

Hop Meeting Set Here June 17-18

PORTLAND, May 27.—(AP)—C. W. Paulus, secretary of the Oregon-California-Washington hop growers committee, said today hearings on a proposed marketing agreement and order regulating the crop would be held at Santa Rosa, Calif., June 14-15; at Salem, Ore., June 17-18 and at Yakima, Wash., June 20.

The proposed program would be administered through a control committee consisting of two growers from each state, one grower-dealer, two dealers, three brewers and a 13th member to be chosen by the remaining members of the committee.

Expenses of operation would be borne by each handler on the basis of his share of the total hops shipped.

Portland's Trade Has Slight Fall

PORTLAND, May 27.—(AP)—A further slight drop in retail trade for the week was reported today by Dun's review.

Men's clothing sales were 12 per cent under the previous week while women's wear retained former status. Farm equipment, leading the machinery and equipment fields, was 13 per cent under last year. Automobile sales remained 54 per cent under 1937.

There was little improvement in unemployment.

\$70,000 Dormitory Plan For St. Helen's School

PORTLAND, May 27.—(AP)—The Rev. Benjamin D. Dagwell, Episcopal Bishop, said a \$70,000 dormitory would be constructed at St. Helen's hall, denominational school for girls.