

Vacation Season
Many families will leave soon on vacation trips. Don't get out of touch with your community's news. Have The Statesman follow you.

The Weather
Partly cloudy today and Friday, temperature unchanged; Max. Temp. Wednesday 77, Min. 43, river .08 foot, northwest wind.

EIGHTY-EIGHTH YEAR

Salem, Oregon, Thursday Morning, June 2, 1938

Price 3c; Newsstands 5c

No. 57

Earmarking Issue Fought on Spending Bill

Chinese Block Rescue Effort Near Lanfeng

Villages Captured; Some Ground Lost Because of Bombardment

Hull Protests Refusals of Japanese to Let Citizens Return

SHANGHAI, June 2—(Thurs- day)—Chinese reported today their troops had blocked efforts of Japanese to send reinforcements to a beleaguered Japanese division near Lanfeng, on the central front.

Capture of three villages north and east of Lanfeng kept Japanese from lifting the siege of the division commanded by Lt. Gen. Kenji Dohara, Chinese said. Cheered by appearance on the front lines of Generalissimo Chiang Kai-Shek, Chinese predicted the Lanfeng area would become a "second Taihewang"—a repetition of the Chinese victory over Japanese forces on the Shantung province front April 6. On other parts of the 250-mile central front, where Japanese are attempting to gain full control of the east coast Lunghai railway preparatory to a push south to the provisional Chinese capital at Hankow, Chinese gave ground slightly under heavy aerial bombardment.

WASHINGTON, June 1—(AP)—Japan is violating American rights in China by refusing to evacuate American properties and allow our citizens to return to them, Secretary of State Hull told the Tokyo government today in a strongly worded note.

The United States demanded Japan turn back to their American owners the \$1,000,000 university of Shanghai and other properties now occupied by Japanese troops. "This government expressed its 'increasing concern' at Japan's refusal to let American businessmen and missionaries return to the posts in coastal and inland cities they formerly occupied. Secretary Hull regarded as flimsy Japan's excuse that 'peace and order have not been sufficiently restored.' He questioned it by calling Japan's attention to 'the fact that Japanese civilians are freely permitted to go into and reside in such areas—as, for example, at Nanking where some 500 Japanese nationals, including a substantial number of women and children, are reported to be in residence.'

Although American businessmen and missionaries have been refused permission even to make a brief inspection of their properties to check losses and take steps to prevent further losses, "many Japanese merchants and their families are known to be in the localities to which these American seek to return."

The indication was plain that Japan is seeking to drive out American businessmen and missionaries and replace them by Japanese.

About 300 Americans have been waiting at Shanghai for many months for permission to return to their posts in the interior, chiefly Nanking.

Oddities . . . in the News

RIVERSIDE, Calif., June 1 (AP)—A "damn" vowel in court here costs \$25. B. V. Baker, of Los Angeles, testifying in superior court today, was asked by a lawyer: "How's your memory?" "Damn good," said Baker. "That'll cost you \$25 for contempt of court," interrupted Judge H. G. Ames. Baker was less forceful in the remainder of his testimony.

May Know More Than Revealed About Kidnaping



Following recent discovery of the body of Peter Levine, 12, kidnaped several months ago, on Long Island beach, G-men grilled Edward Penn, left, and Werner Luck, who have been held since March 24 when they confessed an attempt to extort \$30,000 from Murray Levine, father of the boy. Police are convinced Penn and Luck know more than they have told about the kidnaping. Meanwhile an intensive search is being made for the murdered boy's severed head, in the hope it will yield additional clues.—IN Photo.

Medical Society's Activities Probed

ANTI-TRUST LAW VIOLATION SUGGESTED IN BARRING GROUP'S PHYSICIAN

WASHINGTON, June 1 (AP)—The Washington Star said today the Justice department was investigating complaints the American Medical Association and the District of Columbia Medical Society had violated anti-trust laws in opposing "group health" programs.

The complaints were made, the Star stated, as the result of expulsion of Dr. Mario Scardifio, child health specialist of a local group health association, from the district medical society last March.

Cafe Strike Vote Friday, Portland

PORTLAND, June 1—(AP)—Charging that the Portland Restaurant Operators Association had demanded a return to the 1935 contract and a consequent 20 per cent cut in wages, Gertrude Sweet, an official of the waitresses and cafeteria workers union here, said today that a strike vote had been ordered for Friday.

Outstanding Agriculture OSC Student Given Post

KLAMATH FALLS, June 1 (AP)—Walter Jendrykewski, of Hermiton, who was named the outstanding student in the school of agriculture at Oregon State college this year, was appointed today by the state board of higher education to the post of assistant county agriculturist here.

2 Little Indians Have Adventures

LOST IN WILDS NEAR KEIZER THEY PLAY HAVOC WITH DISTRICT'S MAIL

A tale of two little Indians, 9 and 13, who got lost in the trail-less Marlon county country, well-paved though it is, but found their way back to Chemawa, under escort, when they tried to buy some ice cream with a check filched from a farmer's mail box was told by state police yesterday.

Elections Boost Postoffice Trade

Election mailing and a general growth in business boosted receipts at the Salem postoffice during May nearly \$6000 over the corresponding month last year, according to the figures released yesterday by Postmaster H. B. Crawford.

Sauvies Isle Farmers Fight Dike Breaks as Rivers Rise

PORTLAND, June 1—(AP)—Sauvies island farmers, encouraged by a prospective drop in the raging Columbia and Willamette rivers tomorrow, labored tonight to prevent repetitions of dike breaks around their narrow, 25-mile-long strip of land.

Clues Studied As Jimmy Cash Still Unfound

ONE MAN IS QUESTIONED; BROWN PAPER POSSIBLE TRACE, PENINSULA

PALMETTO THICKETS BEING COMBED; REVEAL SERIAL NUMBER ON BILLS

PRINCETON, Fla., June 1—(AP)—A sheet of brown paper, sandwiched between two stained sticks were studied tonight for a lead in the kidnaping of tow-headed Jimmy Cash as federal officers questioned an unemployed carpenter about the case.

Meanwhile, with hope for return of the boy alive virtually abandoned, authorities broadcast serial numbers of the 1,500-odd banknotes which made up the \$10,000 ransom the five-year-old child's father vainly delivered at a rural rendezvous yesterday.

It bore writing but the context was not disclosed. The stains on the stick looked like blood. These articles with some other scraps of paper were sent to Miami for examination for fingerprints. The man questioned was M. F. Braxton, who was arrested near the Cash home in the midst of the forming posse. Braxton's wife said tonight he had been at Cash's filling station Saturday night but returned and went to bed about 11 o'clock.

Pay Last Dividend Upon Aurora Bank

PAYMENT OF final dividends totaling \$20,968.03 in the liquidation of the defunct Aurora State bank was ordered yesterday in circuit court here. The institution will have paid out at the rate of \$0.01 per cent in the commercial and \$4.05 in the savings department when its books are closed by Mark Skinner, superintendent of banks.

Study Citizenship EON Seniors Told

LAGRANDE, June 1—(AP)—The youth of America must be trained in citizenship as well as in trades, Associated Justice George Rossman of the state supreme court told 57 graduating seniors of the eastern Oregon Normal school at commencement exercises today.

Nurses Convention Talks Hours, Wages, Insurance

KLAMATH FALLS, June 1 (AP)—A nationwide program of shorter working days, group insurance, and salary and employment conditions were discussed before the 21st annual convention of the Oregon Graduate Nurses association here today by Mrs. Alma H. Scott, New York City, a director of the American Nurses association.

Will Reign Over Berry Festival



Miss Nadine Nichols who will be crowned Queen Nadine I in a colorful pageant ceremony on the Lebanon high school campus tonight as one of the highlights of the Lebanon strawberry festival which continues through Saturday.

Collins Named on Relief Committee

WILL SUCCEED WINDSHAR; SUCCESSOR TO WIEDER NOT YET SELECTED

HARRY V. COLLINS, district manager for the Pacific Telephone & Telegraph company here, has accepted appointment to the Marion county relief committee to succeed T. A. Windshar, who has resigned. Governor Charles H. Martin announced yesterday. The executive indicated a successor to E. L. Wieder, committee chairman who also has submitted his resignation, will be chosen within a few days.

Six Are Arrested, Trust Fraud Case

NEW YORK, June 1—(AP)—The indictment of six men, accused by Dist. Atty Thomas E. Dewey of looting seven investment trusts with combined assets of over \$16,000,000, was disclosed today with the arrest of four of the defendants.

Stealing of two Cars Is Charged

PORTLAND, June 1—(AP)—A "business trip" was the explanation William J. Hawks handed detectives who arrested him on a grand larceny charge growing out of the alleged theft and wrecking of a taxicab and the subsequent stealing of a forest service car.

Mayor Carson's Infant Signs Social Security

PORTLAND, June 1—(AP)—Joan Cradick Carson put in her bid today as America's youngest social security card holder. The daughter of Mayor and Mrs. Joseph Carson got her card when she was three days old, signing via a hand print.

Ex-AFL Teamsters Start Jail Terms

PORTLAND, June 1—(AP)—The 34th and 35th prisoners to be sentenced in the drive against labor terrorists which began last January drew sentences of nine months each in the county jail today.

Rolling Log Kills Man

PENDLETON, June 1 (AP)—A log rolling from a truck at Pilot Rock, fatally crushed DeForest J. Dean, 23, Baker logger, who died in a hospital here today.

Brother Slays Mayor, Spouse; Soon Captured

BARRICADES IN HOME WITH MOTHER BUT IS ROUTED BY TEAR GAS BOMB

FAMILY QUARREL BELIEVED CAUSE OF TRAGEDY IN TOWN IN MONTANA

THREE FORKS, Mont., June 1—(AP)—Sheriff Lovitt L. Westlake said John Kunz shot and killed his half-brother, August Kunz, 53-year-old mayor of Three Forks and the mayor's wife, and then barricaded himself in his own home with his aged mother tonight.

Tear gas bombs fired into the house by Bozeman and Butte officers finally routed John Kunz, who was arrested when he started to climb out a window, Sheriff Westlake said. The sheriff said residents of Three Forks told him they knew of no reason for the double shooting but expressed belief the family had been quarreling.

Westlake said John Kunz crossed the street from his home to his half-brother's home and shot the mayor's 33-year-old wife, Louise, in the chest. Then, said the sheriff, as August Kunz turned toward the house, John Kunz shot him in the back.

Dodson Disputes Ross Sale Claim

DOUBTS IF ANY REAL POWER APPLICATION MADE YET; ISSUE IMPORTANT

PORTLAND, June 1—(AP)—A statement attributed to J. D. Ross, Bonneville dam administrator, at Washington that electrical energy had been oversubscribed was challenged today in a telegram from W. D. B. Dodson, chamber of commerce executive, to the federal power commission.

Flying Pheasant Shatters Window

PORTLAND, June 1—(AP)—Patricia Hays, eight-year-old daughter of J. L. Hays, press agent for the Union Pacific system, knew a news story when she saw one but her father is convinced her technique is not yet complete.

Too Much Rain now Plagues Midwest; Farm Season Late

CHICAGO, June 1.—Unwanted rain swept an extensive portion of the midwest agricultural area again today to plague farmers, already concerned about their crops because of too much moisture at the wrong time.

President's Letter Touches Off Scrap; Intent Is Debated

ADMINISTRATION SENATORS CONTEND IT URGES FREE HAND FOR FR, OTHERS SAY THEIR PROJECTS READY

STRUGGLE OVER POLITICAL USE OF HUGE FUND CONTINUES; MORE MONEY FOR FARM BENEFITS IS ALLOCATED

WASHINGTON, June 1.—(AP)—The senate split into diametrically opposed factions today after President Roosevelt urgently requested legislators to pass the \$3,247,000,000 spending-lending bill without attaching strings which would prevent "the selection of those projects which can be got under way most speedily."

Administration supporters said the president's letter, in which he asserted the "unemployment situation has grown worse," was an argument against the current movement on Capitol Hill to "earmark" huge slices of the funds for specific projects. They said the administration wanted a free hand to select projects.

Mayor Carson's Infant Signs Social Security

PORTLAND, June 1—(AP)—A statement attributed to J. D. Ross, Bonneville dam administrator, at Washington that electrical energy had been oversubscribed was challenged today in a telegram from W. D. B. Dodson, chamber of commerce executive, to the federal power commission.

"It appears to us that no bonafide application could be made for power until rates and conditions for purchases are known," Dodson said. "We have no evidence here of any bonafide application and would appreciate such information."

Dodson declared that "the issue is very important because of public and private limitations in law wherein public agencies are given preference. If public agencies have oversubscribed, no power is available for privately owned industry."

The senate worked at a slow pace through most of the day, however, voting 53 to 13 to increase the \$250,000 house-approved appropriation for the national resources committee to \$750,000.

Then, working without recess into the night, the senate approved on a voice vote an amendment sponsored by Senator Russell (D-Ga.) to provide an additional \$12,000,000 for farm benefits. A total of \$500,000,000 now is available for farm payments.

Under the amendment, the additional fund would go for payments of up to two cents a pound for cotton, 10 cents a bushel for wheat, five cents a bushel for corn, one cent a pound for tobacco and one-fourth of a cent a pound for rice.

An amendment was adopted requiring the WPA to pay wages equal to the minimum set in any federal wage-hour legislation, or the "prevailing wage," whichever was higher.

The case was an outgrowth of a dispute between the CIO and AFL over control of employes, a group of employes bolting the AFL for the CIO. The company contended that it was under contract to the AFL and that it was compelled to dismiss the workers who bolted.

M & M Co. Appeals Order From NLRB

SAN FRANCISCO, June 1 (AP)—An appeal to the ninth federal circuit court of appeals against an order of the national labor relations board directing reinstatement of a certain group of employes was made today by the M & M Woodworking company, of Portland.