EIGHTY-EIGHTH YEAR

and far eastern news breaks

just before the morning newspaper goes to press.

The Weather

Price 3c; Newsstands 5c

brunt of the typhoon in the disas-

been restored. Markets opened

briefly during the afternoon, but

schools remained closed, School

authorities said buildings might

be kept shut for several days

Washington Champs Meet

Pade-Barrick Tonight

on Sweetland

ules last night when it was dis-

bunting for base hits, and the

In Portland the Owls were en-

gaged last night in a tight, excit-

ing game with Lind-Pomeroy,

Portland champions who were un-

able to play in the state tourna-

Bandits Victimize

BANDON, Ore., Sept. 1 .- (AP)-

Mr. and Mrs. Otto Schindler were

forced from their home to their

armed with a sub-machine gun

The bandits, abandoning one

Schindler is a member of the

car, fled in the druggist's 1938

model and took Mrs. Schindler's

the pair here today, planning to

Burg said he and Holmstrom

traveled into the Wind river

mountains to the head of Green

river glacier, 250 miles by airline

north of here, where he photo-

graphed Gannet peak, 13,785-

foot mountain known for its in-

drug store and made to empty the safe of \$300 by three men

until inspected for damage.

Hitler Rejection of Czech Plans Reported

Chinese Claim Victory on River Defense Bares Death Toll Reaches 99

Japanese Lose **Bloody Battle** Along Yangtze

Chinese Commanders Say Heavy Casualties Are Inflicted

Key Point on Rails Said Captured by Chinese in Counterfight

SHANGHAI, Sept. 2 .- (Friday) -(A)-Chinese military commanders reported today Japanese forces had been defeated on Yangtze valley fronts in the bloodlest fighting of recent months.

Counter attacking westward from Juichang, about 100 miles southeast of Hankow, the Chinese said their fighters inflicted 4,000 casualties on the invaders attempting to advance toward the Yangsin river.

A second counter attack southward from Juichang was said to have resulted in the recapture of Anshap, key point for a Japanese attack on Teian, on the Nanchang-Kiukiang railway.

On the north bank of the Yangtze river, the Chinese said they fought Hwangmei, 20 miles north of Kinkiang, base of the Japanese Yangtze valley operations 135 miles below Hankow, China's provisional capital which the invaders hope to teach before winter sets in.

Japanese reported earlier that their offensives were "progressing" on both the Yangtze and. Yellow river fronts.

Japanese spokesmen said simply that both army and naval forces southeast of Hankow were advancing, with aviation playing a most important part. On the Yellow river front, they said Japanese troops were poised for a river crossing in northwest Honan

Unconfirmed Chinese advices said Japanese troops were routed and driven back to the east in a battle near Juichang, about 100 miles southeast of Hankow. Previous reports from the Chinese side said 13 day and night attacks west of Juichang had been re-

Japanese naval airmen reported bombardment of the rail junction town of Chuchow, south of Changsha, Hunan province. They said tracks and freight cars were

Rattlesnake Pete Passes to Beyond

PORTLAND, Sept. 1-(AP)-Rattlesnake Petewdied Wednesday at

Melvin N. Olbert, in charge of livestock for the Schlesser Brothers meat concern, was the way the death notice read but old range riders mourned the passing of Born in Columbia, O., in 1877

Mel Obert went to Miles City, Mont., as a boy and got to be a "top hand" known from Texas to Idaho. His fondness for rattlesnake-skin neckties, hatbands and saddle adornments won him the sobriquette of Rattlesnake Pete. Even after he settled down to

city life, Rattlesnake went back to the range in 1926 to participate in the dramatic rounding up of 350,000 head of wild horses in Montana, Nevada, Oregon, Washington and northern California-A roundup that consumed five

FLYING HANDS .- The night crew at Hunt Bros. cannery will pit its crack pear-trimmer, Mrs. 'Flay" St. Clair of Salem route 6, against all other pear trimmers hereabouts.

Working with precision that almost re-proved the magician's rule that the hand is quicker than the eye, Mrs. St. Clair yesterday put 19,005 pears through her routine. (There's no guess work about it, for counters on the machines told the story.) She worked from 7 p. m. to

5:45 a. m., and up to midnight had 9000 pears to her credit, which means in the next half of the shift she gained 1000 on the time in which workers are supposed to be the peppiest.

One factor which helped was that on her belt medium size pears so nearly perfect that little trimming was necessary came through-but that doesn't take away from the fact that she had to handle every pear. Incidentally, many workers

are happy if they pile up 9000 or 10,000 pears for a shift. Finale: Trimmers are paid by

"\$30 Every Thursday" Was ' That Nominated Him, F McAdoo



Pictured with his family is Sheridan Downey, who defeated William Gibbs McAdoo in the race for nomination as democratic U. S. senator in the California primaries. Pictured in their Atherton, Cal., home, the Downey family is listening to latest tabulations of the elections. Left to right are Margaret, Richard, Sheridan Jr., Sheridan Sr., Mrs. Downey scated in chair, and Patricia, seated on floor. Downey is a vigorous backer of the "\$30 Every Thursday" pension

Pickets Withdraw | Complaint Issued From Hotel Doors

Comment on Removal After 85 Days

PORTLAND, Ore., Sept. 1.-(P) A major break in Portland's 85 downtown hotels.

Union officials declined to comment on the situation. Pickets disappeared from the Roosevelt hotel. At midnight, replacements failed to appear at the Benson, Imperial, Park Avenue and Cornelius hotels.

Pickets were withdrawn yesterday from the Fairfield hotel when a new management accepted union

Eleven other hotels continued to operate behind picket lines. The five AFL unions involved seek

Elderly Man Dies When Hit by Car

Hortsch, 72, was killed shortly after 8 o'clock tonight when he was struck by a southbound car as he was crossing the Pacific highway here. Dr. Gerald B. Smith pronounced Hortsch dead 15 minutes after the accident.

The driver of the car, Harry of Philomath, was not

Hortsch, who celebrated his colden wedding anniversary here June 18, 1937, had been caring for the auto wrecking shop of his the local receipts for the previous son, Steve, who is on a trip to Minnesota, and was going home from work when the accident oc-

Survivors include the widow and six children. Arrangements are in charge of Beechler-O'Hair | 027.72; and for July, this year,

By Electric Co-op

Union Officials Decline Plaintiffs Seeking Rule From Utilities Body on Power Rate

The Salem Electric Cooperative association which was organized days old hotel strike came tonight here recently Thursday filed a with removal of pickets at five complaint with the state utilities commissioner to compel the Portland General Electric company to rate apparently for distribution to certain Salem downtown business

> The complaint charged that a clause in the commercial power chedule of the Portland General Electric company based on sale to one customer at one point which prevents its resale or distribution when the company has or is willing to provide distribution facilities as unjust and dis-

> criminatory. The public utility commissioner was asked to substitute for this such regulation as may be just or reasonable, alleging the provision to be unjust, unlawful and discriminatory.

> Plaintiffs said they would use 45 kilowatts of electric energy per month and demand to be awarded the benefit of the commercial

> power meter rate. This was said to be the first move of its kind ever made in the state.

Postal Receipts Strike new High

Salem postal receipts for August skyrocketed \$7323.10 over month and also marched \$5191.46 beyond the figure for August, 1937, Postmaster H. R. Crawford revealed yesterday.

Receipts last month were \$29. 219.18; for August, 1937, \$24,-\$21,895.99.

Suit Filed to Block Measure To Stop Fixed Gear Fishing

state from certifying for the Nocember election ballot the initiative measure forbidding fishing secretary of state 900 petition for salmon and steelhead with sheets not verified by the actual fixed gear in the Columbia river circulators but by others. It also and its tributaries was filed in alleges that notarial signatures circuit court here yesterday in were forged, that 8000 signatures ged with bombing operations, will the name of Dist. Atty Lyle J. were paid for in violation of the open at Hillsboro next Tuesday,

Suit to restrain the secretary of | neys for the plaintiff. The complaint charges the sponsors conspired to present the

Navy to Form Atlantic Fleet Of new Craft

Sudden Change in Policy Hints Defense Plans Are Revised

Since Sino-Japanese Crisis of 1931

WASHINGTON, Sept. 1 .- (AP)-The navy unexpectedly announced today that a "temporary" Atlantic squadron of 14 of its newest warcraft would be formed immedi-

Without explanation, a formal announcement said seven 10,000ton light cruisers and seven destroyers would comprise the force, commander.

The nation has had no organized Atlantic force since the fleet in the midst of the 1931-32 Sino-

The order for the new squad- Tombs. ron, issued by Adm. William D. Davis Squirms Leahy, chief of operations, hinted at a recent revision of defense strategy and stirred immediate speculation as to whether Eu- squirming and reddening under Czech dispute was involved.

formed "in preparation for fleet problem twenty and to visit such ports as are designated."

To work out this problem, involving defense of the Panama canal against a simulated trans-Atlantic attack, the main fleet of approximately 150 warships is scheduled to engage in war games in the Atlantic early next year. It has not left the Pacific since 1934, when the armada was reviewed at New York by President

Ships to join the squadron September 6 are: the cruisers Philadelphia, Brooklyn and Savannah, and the destroyers Mugford, Ralph Talbot, Helm, Shaw, Somers and Washington.

Ships to join after completing shakedown cruises are the cruisers Nashville, Boise, Honolulu and its? asked Stryker. Phoenix and the destroyer Samp-

The cruisers are all of 10,000 tons and are armed with six-inch guns. The destroyers Mugford, Somers and Sampson are flotilla leaders of 1,850 tons and other destroyers are 1,500-ton craft.

In addition to the new squadon, the navy has three of its older battleships, a demilitarized battleship, two new aircraft carriers and 16 older destroyers on the Atlantic coast.

Hull Stays Aloof From Purge Drive

Ickes, However, Is not so Quiet; Speaks Piece on Maryland Race

WASHINGTON, Sept. 1-(AP)-Secretary of State Hull held aloof publicly today from the administration's campaign to unseat

democratic Sen. Millard E. Tydings of Maryland. He was asked at his press conference whether, if he lived in Maryland, he would vote for

J. Lewis, the new deal candidate for the senatorial nomination. Hull replied that if his questioner would take care of the acute problems of the far east. far west, far north and far south. he would be glad to give some \$75,000 of Opium time to domestic questions.

However, any idea that the administration would abandon its effort to defeat Senator Tydings, as the result of the victory of presidentially-opposed Senator E. D. "Cotton Ed" Smith in South Carolina this week, was dispelled by Secretary of the Interior Ickes. Showing none of Hull's hesita-tion about indicating his preference in the Maryland contest, to be decided September 12, Ickes told reporters he favored Lewis'

Estabrook Retrial Will Open Tuesday

Retrial of John Estabrook, Washington county, who is char-

"Inducement" to Turn State Evidence

Dapper 'Kid Mouthpiece' Reddens as Private Life Revealed

No Atlantic Force Kept | NEW YORK, Sept. 1-(AP)-The defense today threw a blazing spotlight on the semi-clandestine trysts of Hope Dare and J. Richard (Dixie) Davis, the state's star witness in the policy racket trial of Tammany District Leader James J. Hines.

Chief Defense Counsel Lloyd Atty, Thomas E. Dewey permitted Davis to visit the red-haired showgirl as an "inducement" to turn state's evidence against Hines as a co-conspirator in the multi-million-dollar Dutch Schultz policy

With such hammering emphaeffective September 6. Rear Adm. With such hammering empha-forde A. Todd was designated six that Prosecutor Dewey sprang up again and again to protest against repetition - complaining that "the witness has already answered" - Stryker brought out was concentrated in the Pacific that Davis made his excursions to Hope Dare's apartment while he was a some-time prisoner in the

Under Oniz The dapper erstwhile "Kid Mouthpiece" of the Schultz mob, rope's tension over the German- Stryker's search into his private life, protested that while he was From naval officials came only a married man he had not lived with his wife for three years.

Davis insisted that during the visits to Miss Dare's apartment he was never alone in the same room "Detectives were always pres-

ent," he said. The witness said he was released from the Tombs on a court order to permit him to see his doctor, and that on "about 80 or 90" such sorties from the gloomy old Tombs the physician had electrically burned out half his ton-

Hope's Mother Always There Besides detectives, he said, Miss

Dare's mother was always present when he stopped at her apartment to change his clothes. "Did her mother always know when you were coming so as to

be there to chaperone these vis-"Her mother hardly ever left the place. She is a stranger in New York and she wouldn't go out by herself unless she went

"Oh?" said Stryker. "Well, let's see. Was Miss Dare always fully attired in the presence of po-

"Was she ever in negligee at any time when you had your outer not in negligee.'

shirt off, just your undershirt?' "She may have worn a morning gown," Davis snapped. "She was "And you just in your under-

Insists He Had His Pants On

"And my pants on," Davis amended firmly. With a dramatic flourish, Stry ker then exhibited an enlarged

newspaper photograph of a scantily-clad man and the woman standing close together at the window of an apartment. "Is that a picture of you and omeone else?" asked Stryker. He

handed the photograph to Davis. The witness studied it with a grimace. "I really can't tell, sir," he said. "I am sure I don't have that stomach. I don't know - it might be-it is very indistinct." "Indistinct or not," Stryker Tydings or Representative David snapped, "can you recognize who

> "It is very indistinct," Davis repeated feebly. "I couldn't recognize either Hope or myself."

Seized From Ship

PORTLAND, Ore., Sept. 1.-(A)
The second big seizure of narHolmstrom and Burg Finish cotics of the summer was made today aboard the Philippine steamship Don Jose by a U. S. customs searching squad. They found 1576 one tael cans

of smoking opium valued at about \$75,000 buried deep in coal The vessel, tied up at Portland regetable oil dock, was subject

o a fine of \$52,335. No arrests

Chambers Appointed As Business Agent

have been made.

Walter A. Chambers has been tional Geographic society photo- "The upper the name of Dist. Atty Lyle J.
Page.
Sponsors of the initiative, named defendants along with Secretary of State Earl Snell, are list-frederick S. Wilhelm, E. A. Storvik and Oglesby Young. Jay Bowler and M. S. U'Ren are attor-

Davis' Trysts As Japan Counts Cost With Showgirl After Typhoon Passes

Stryker Charges Visits Damage to Property Is Estimated at \$28,000,000 as Eastern Section of Nippon Resumes Normal Activity After Blow

> TOKYO, Sept. 1.—(AP)-Japan, clearing away wreckage left by a 75-mile-an-hour typhoon, tonight counted at least 99 dead, scores of persons injured or missing and property damage estimated as high as 100,000,000 yen (\$28,000,000).

> Authorities estimated the damage to shipping at Yoko--0 (\$1,400,000). The populous eastern section **Contracts Agreed** of the nation which bore the

> > mal activity.

freight

destroyed.

a trip here.

ment here.

last night.

hat and c at.

GREEN RIVER, Wyo., Sept. 1 | P. B. Lunstrom, Portland, Ore.

camp west of here today after river as far as Jensen, Utah.

were from Idaho.

For Food Stores ter-crowded hours between 2 a. m. and 6 a. m., resumed a near nor-Paul Stryker charged that Dist. Only Minor Changes Made in Clerks' Contract

With Employers Terms of a new union contract between the larger food stores and Retail Clerks International Protective association, local No. 992 of Salem were agreed upon at a meeting of employer and employe representatives at the labor temple last night, L. Mendell Cross, president of the local, announced. He said negotiations had been actively under way for a

"All the larger groceries and markets have agreed on the contract," Cross said. "It will be

signed within a few days." The new agreement makes no changes in the wage and hour scales of the old contract, which expired June 1. One of the major changes made last night was the provision for the new agreement's being a continuous one, to be altered only if either the employers or the union give notice 30 days before the June 1 annual expira-

tion date. The new contract continues the 54-hour work week for the food trade, buts no restriction on business hours and calls for double time for holidays and time and

one-half for overtime, The union was represented by Cross, Leo Olson, secretary, and

W. A. Chambers, business agent. Exodus of Jews Ordered in Italy

Six Months Time Allotted Jews to Leave Italy by new Decree

ROME, Sept. 1-(A)-The Italian government today ordered all Jews who have established themselves in Italy since the world war to get out of the country within six months.

The order was contained in a decree which was approved at a cabinet meeting over which Premier Benito Mussolini presided. It applies to Italy, Italy's North African colony of Libya, and the Aegean isles, but not to Italian East Africa-Eritrea, Italian Somaliland and Ethiopia.

This omission presumably leaves Ethiopia, which Italy annexed May 9, 1936, open to the banished Jews if they are not able to get into any other country. Definite information on the number of Jews affected will not be known until results of a recent census of Jews is published, but estimates placed the figure at

more than 10,000. Many Jews en-

tered Italy shortly after the world

war and their number was aug-

mented after Germany annexed

Austria on March 13. Dick Durrance Visits Winter Olympic Field

PORTLAND, Sept. 1.-(AP)-Dick Durrance, captain of the Dartmouth college ski team, and Jarvis Shaeffler, ex-Amherst college captain, today visited Timberline lodge on Mount Hood and scanned probable courses for the national Olympic tryouts here next April city council. The bandits said they

Burg rested at Covered Wagon

completing the first leg of their

projected 1800-mile boat journey from the Green river's headwat-

Holmstrom, Coquille, Ore., riv-

er adventurer who navigated the

Colorado river's grand canyon

ers to the Gulf of California.

Confers With Nazi Fuehrer

Henlein Reported Bound Home With Rejection of Peace Plans

Sudeten Head

Hitler Believed Seeking Quick End of Czech Minority Issue

BERCHTESGADEN, Germany, Sept. 1-(A)-High nazi sources tonight reported Konrad Henlein, leader of Czechoslovakia's Germanic minority, had departed by plane for home bearing Adolf Hitler's rejection of an important part of Czech peace plans but carrying new counter-pro-

Trains, trams and buses were Hitler was understood to have running and communications had rejected the part of Premier Milan Hozda's "plan No. 3" calling for a three-month truce in Czechoslovak-German negotiations to permit passions of the contending parties to cool down, Prompt Solution

Collapsing houses and land-Asked by Hitler slides caused most of the deaths, The reichsfuehrer's position, but two Korean students were reached after a long conference electrocuted as an electric wire with Henlein and highest nazi snapped and coiled around them officials, was said to be that a when they were fighting their more prompt solution of the danway through a Tokyo street. ger-fraught The typhoon struck Japan of question was desirable. the 15th anniversary of the 1923

Tokyo earthquake in which 150,lein carried to Czechoslovakia re-000 perished. Winds, leveling mained a mystery. houses by the thousands, left Conferring with. an estimated 15,000 persons Henlein at the reichsfuehrer's homeless in Tokyo alone. Tokyo Bavarian mountain retreat were reported most of the casualties. Field Marshal Wilhelm Goering. Thirty-four passenger and Propaganda Minister Paul Jovessels were driven

What counter-proposals Hen-

seph Goebbels and Rudolph Hess, aground, mostly at Yokohama. deputy nazi party leader the Hundreds of small boats were top of the nazi hierarchy. wrecked. Eighty-six small craft At the same time Britain's and barges were reported swept ambassador to Germany, Sir Neout to sea from Yokohama and ville Henderson, was tackling the others sank. Five wharves were same Czech-German problem with Foreign Minister Joachim von Ribbentrop at Sonnenberg, the Northwest Girls' latter's country home near Ber-

Henderson Brings British Word Softball Title up Henderson, fresh from conferences with the British cabinet in London, was believed to have laid . before the foreign minister Britain's latest expressions for maintenance of peace in central Eu-

Reliable sources said Von Rib-The northwest girls' softball bentrop would come to Berchteschampionship will be at stake on gaden tomorrow when a confer-Sweetland field tonight when the ence of even greater importance Seattle Owls, all-negro girls team than today's will be held.

which won the Washington cham-It was understood Henlein pionship, will oppose the Padewould return for the next meet-Barrick girls of Salem, Oregon ing after quickly laying Hitler's champions. The first of the two counter-proposals before Czech games will start at 7:30 o'clock. officials. The Sudeten "little fuehrer" This game was hurriedly sched-

covered that the Washington rived here today for his meetchampions, playing that night in ing with Hitler, the fourth this Portland, would be available for year. Henlein's adjutant said the The Seattle Owls were described present visit was at the suggestion of Viscount Runciman, Britas being exceptionally speedy, ain's unofficial mediator in the with an outstanding pitcher in the central Europe quarrel, who person of Lillian Brown, a southwished to push a peaceful setpaw. One of their specialties is tlement of the trouble,

wore no uniform when he ar-

Important Talks Pade-Barrick infielders will have Planned Today Official quarters insisted the really vital talks, from the German viewpoint, will take place tomorrow and that nothing official on results will be made

known until Friday night, Though still surrounded by State tournament prices will secrecy, the Czechoslovak plan prevail for tonight's game, as well advanced was said to call for as for the men's interstate games. governmental changes in Czech-Papermakers vs. Seattle Dog oslovakia to a canton system, House Bulldogs, Saturday night. similar to Switzerland's, thus attempting to satisfy Sudeten German autonomy demands with authority divided between can-tons and a federal government **Bandon Merchants** responsible for defense and for-

eign affairs. Two preceding schemes offered by Czechoslovakia to meet the demands of the Sudeten Germans, a minority of 3.500,000, for autonomy had been rejected. Runciman Urges

As the leaders conferred, hope gained ground that the present acute crisis over the Czechoslovak dispute might be solved by new concessions urged by Viscount Runciman, unofficial British mediator in Czechoslo-

These facts served to ease the

1 .- Czechoslovak quarters in Berlin let it be known the new First Leg of 18,000 Mile Trip Czechechoslovak plan contained such sweeping concessions that, from their point of view, the Sudeten Germans could not re--(P)-Buzz Holmstrom and Amos artist and cartographer, joined

2.-Heinlein rushed to confer with Hitler just as soon as he was informed last night of the British-backed plan, the third to be offered the Sudeten Germans, The Sudeten German political committee also conferred today in Praha on the proposals.

"The upper Green river section | would break the crisis.