

Local News
The Oregon Statesman is by far the leader of Salem dailies in local news coverage.

The Weather
Fair today and Saturday but occasional cloudiness near coast; rising trend and falling humidity. Max. temp. 84, min. 46. River -3.9 ft. NW wind.

EIGHTY-NINTH YEAR

Onetime 'Spy'
Recounts How
Alien Watched

Captain Bakcsy Relates
Great Funds Paid Him
for Probing

Declares Doyle Wanted
Him to Sign Paper
Against Bridges

SAN FRANCISCO, Aug. 17.—(AP)—A former military intelligence officer, known as "Captain X" during the World war, testified at Harry Bridges' deportation hearing today that he had been paid thousands of dollars by waterfront shipping officials to investigate the CIO labor leader and determine whether soviet money was supporting waterfront strikes.

The witness, Captain Charles G. Bakcsy of Santa Monica, Cal., also testified he had been threatened by Larry Doyle, mystery figure in the case, unless he signed a paper saying he had seen Bridges at a "big communist meeting."

Bakcsy, a short-bearded man with a big mustache and left ear, said he had been discharged suddenly in 1936 as an investigator and almost had a scuffle with Thomas G. Plant, then president of the Waterfront Employers association, because "Plant said I was slow getting evidence."

The captain, who got his title as master of sailing ships, also mentioned the name of Frank F. Merriam whom, he testified, had introduced him to a Honolulu oil company official which resulted in his obtaining the investigator's job.

Captain Bakcsy, testifying in broken English, said he was paid \$15,000 for his work, but that the sum should have been \$25,000.

He said he received \$400 a month from April to August, 1935, from Plant, and later \$1,000 a month, and expenses, from Hugh Gallagher, an official of the Matson Navigation company.

He explained the expenses were to establish a meeting place at Carmel, Cal., where union leaders could be brought.

The witness added that Plant wanted "to get the lowdown on Bridges' activities" and was bringing the Australian-born CIO official to Carmel and get a dictograph record of what Bridges said.

"The most important thing was to find out if money was coming from soviet Russia," second came Bridges," Bakcsy testified.

Bridges has denied he is a communist, but the government is attempting to deport him on the grounds he is and that the party advocates violence.

Captain Bakcsy, a former policeman at Portland, testified that Captain John J. Keegan once told him there was a warrant out at Portland for Doyle.

Bakcsy's testimony contradicted that of Captain Keegan and Landis said: "Where the credibility of a witness is involved the existence of independent pieces of testimony are important. Here is a distinct contradiction of facts between Captain Keegan and Captain Bakcsy."

Oil Company Buys
Old Derby Corner

The Frank Derby property at the northwest corner of Court and Church streets has been sold to the Standard Oil company of California for a consideration of approximately \$24,500, according to a warranty deed recorded at the county recorder's office. The deed bore \$24.50 in federal tax stamps, indicating the amount involved in the transaction.

The property, which consists of plots 3 and 4 in block 5 of the original plat of Salem. The Derby residence, which occupied it for many years, was moved to a new location several blocks away last year.

While no details regarding the new owner's plans for use of the property were disclosed, it was believed a superstructure at a site would be erected in the near future.

Woman Holds She
Was Kept Locked
In 2-Room Shack

OREGON CITY, Ore., Aug. 17.—(AP)—Mrs. Mina Hart, 84, Canby, filed suit for cancellation of lease in circuit court today against her son-in-law and daughter, Mr. and Mrs. George Mitts, charging they kept her locked in a two-room shack for a number of "heavy" weeks, wire fence six feet in height with a barbed wire top.

Prexy and Director Check Over
Details of State Softball Meet



State Softball President Harry V. Collins, left, and State Director Dwight Adams, caught by a Statesman photographer as Wednesday night at Sweetland field they went over plans for the sixth-annual state tournament opening next Monday night.

Plans Nearly Complete
For Big Softball Show

Tournament to Start Monday on Sweetland Field With 240 of State's Best to Cavort After Oregon Championship

Softball, a game still in knee pants as far as the actual years of play it has enjoyed is concerned, will next week take over Salem for the sixth successive year as the 1939 state tournament unfolds on Willamette university's Sweetland diamond.

Sixteen of the state's top club teams, bringing a total of 240 players, will invade Salem for the express purpose of capturing the state championship and the mammoth B. P. Johns' perpetual trophy.

Tournament Director Dwight Adams, judging from past years and from interest shown throughout the state this summer, believes the tournament attendance will top the 20,000 mark for the six days. State Softball President Harry V. Collins seconds Adams' prediction.

Bridges Predicts
Lockout on Coast

Trouble to Start Sept. 30 Unless Employers Change Attitude

SEATTLE, Aug. 17.—(AP)—Harry Bridges, west coast CIO longshoremen's union leader, predicted tonight that unless ship owners "change their present attitude" a coast-wide shipping lockout would start September 30.

He said in an interview longshoremen hoped to negotiate a new contract to replace the one expiring September 30.

"But we have positive statements from leaders of the employers' organizations that unless we accept renewal of the present contract by September 30, with its objectionable features, ship loading will cease and longshoremen locked out."

League Withholds
Palestine Action

GENEVA, Aug. 17.—(AP)—The league of nations mandate commission today withheld approval of Great Britain's plan to make Palestine an Arab-dominated state.

The commission's report was considered a first-round victory for the world Zionist congress, now meeting here, in its fight for a Jewish national home in the Holy Land.

Squalus and Crew of Dead
Nears End of Odd Journey

PORTSMOUTH, N. H., Aug. 17.—(AP)—The U. S. S. Squalus neared the end tonight of probably the strangest voyage in submarine history after being twice lifted and towed from the 240-foot depth to which she sank on May 23.

The second successful "blowing and towing" operation, which started at 3 a. m. (EST) and extended far beyond dark, lifted the flooded submarine within approximately 100 feet of the surface, not far from sheltering land, and gave promise that the bodies of the 26 men who died aboard her 37 days ago might be released from the sea within another two weeks.

By that time naval officials said they hoped to complete the less dangerous but more detailed job of bringing the Squalus to the surface—perhaps pumping out some of the flooded compartments—and altering the craft

Annual Budget
Making Faces
County Court

Limit by Law Will Give
Budget Body \$35,266
More This Year

Relief Item big Worry
of Budget Makers
for County

The Marion county court may not enjoy being reminded of budget-making time but it approaches anyway and finds the county in the same old quandary over making receipts and appropriations balance within the limit prescribed by law.

That limit this year will permit the county budget committee, if it sees fit, to add \$35,266.40 to the tax bill within its control. That's not much of a hat from which to pull greenback rabbits to meet the continually rising demands for more money for relief, more money for roads.

The county had \$845,133.40 to spend this year including \$537,773.40 in taxes levied. The remaining \$257,360 came from miscellaneous fees, state motor vehicle revenues and a \$50,000 expendable surplus.

This expenditure did not include \$93,721.23 from the state elementary school tax, the only state property tax imposed this year.

The resultant grand total budget of \$938,854.63 was \$246,240.37 less than the aggregate of appropriations made 10 years ago. The 1929 budget, however, included items of \$113,500 for high schools, \$103,700 for market roads and approximately \$225,000 in state property tax, none of which appeared in the 1939 budget.

Relief Is now
Main Problem

"Ten years ago the county was worrying about roads and road bonds, and about relief."

What to do about this relief—direct aid, old age pensions, aid to dependent children, aid to the blind, medical care and operation of the poor farm—is one of the budget-makers' principal problems today.

A glance back into the county clerk's records shows that the county's contribution to relief has grown from \$442,85 86 years (Turn to page 2, column 1).

Fugitive Caught
After Gun Fight

High School Boy Is Hero
as Escaped Convict
Is Captured

PORTLAND, Ore., Aug. 17.—(AP)—A man identified by fingerprints as an escaped prisoner from the Washington state penitentiary at Walla Walla was arrested tonight after weathering a fusillade of police bullets.

Detective Sgt. O. K. Robinson said Hulen Presley, 24, alias Tom Clark, was held in connection with the robbery today in Vancouver of a Washington state liquor store, and as a fugitive from the Washington penitentiary where he was under 20 year sentence for a Puget Sound ferry boat holdup.

Miller said Clark's car bore license stolen in Portland and contained a money bag with \$1,500 and a blue smock similar to one worn by the Vancouver bandit.

Canadian Woman
Injured in Crash

Mrs. Annie O'Connell, 55, Lake Cowichan, B.C. was taken to the Deaconess hospital suffering from shock last night after a car driven by Isaac High of Lake Cowichan tipped over in a collision on the Pacific highway near Hayesville three miles north of Salem.

Mrs. High and a small daughter suffered minor cuts.

First Aid Captain Charles Charlton of the Salem fire department said High's car turned over in collision with a car driven by R. O. Hooper, route seven. Both cars were traveling south.

Daylight Bandits
Make \$33,100 Haul

PHILADELPHIA, Aug. 17.—(AP)—Five armed men robbed a bank here today and slipped away in heavy traffic with \$33,100 in a nickel shopping bag.

War Accord Believed Reached
Between Germany and Hungary

Bund Fuehrer
Spouts Anger
At Dies Body

Dies Holds Probe Finds
Evidence Bund Works
With Nazis

Kuhn States He Favors
Joining Groups of
Similar Nature

WASHINGTON, Aug. 17.—(AP)—Fritz Kuhn, stolid Fuehrer of the German-American Bund, gave the Dies committee a session of almost constant conflict today and finally left its witness chair spouting defiance and predicting the committee's investigation would "cost Mr. Dies his political future."

After two days of Kuhn's testimony, Representative Dies declared the committee had made it clear that the bund was working with agencies of the German government and probably was getting advice from them. And, the lanky Texan added:

"I'm not interested in my political future."

Kuhn, whose sides of anger were still running high after the hearing had adjourned, hotly told reporters that the committee "did not show any proof that we are un-American or have any connection with Germany."

"It was all a loss of time," he spluttered. "I mean a waste of time."

Kuhn's testimony was given between indignant protests that the committee was unfair, assertions that his time was "too valuable" to be wasted on the committee, and demands, which were ignored, that he be provided legal counsel.

Kuhn returned tonight to his colleagues in New York's German community after informing the committee that:

Attorney General Murphy—to whom he referred as "the general attorney, that Murphy"—once addressed a band meeting in Detroit. This he favors consolidating all organizations similar in purpose to the bund, but does not want the bund to take the leadership in that.

That the bund arrange to send German-American youngsters on visits to the reich.

Otherwise, his testimony consisted mostly of a long series of explosive denials.

Late Sports

PORTLAND, Aug. 17.—(AP)—Sacramento won both ends of a double-header from the Portland Beavers here tonight to take a Pacific Coast league series, 3 games to 2. The scores were 9 to 4 and 4 to 2.

Bill Schmidt bested Ad Liska in the seventh-inning second game to win his 14th. He allowed four hits, Sacramento broke a 2-3 deadlock in the fifth when Max Marshall homered. Garibaldi's single in the seventh with two on scored another run.

Tom Seaver blanked the Beavers in six innings of the first game which was won in the fourth when Sacramento made six runs on doubles by Wicoreks and Williams, singles by Orengo and Marshall, two walks and two errors. Sacramento 9 12 2

Seattle 4 7 2
Seats and Odrodowski, Gabler, Radosevic (8) and Monzo.
Sacramento 5 9 3
Portland 2 4 2
Schmidt and Grill, Odrodowski (8); Liska and Fernandes.

OAKLAND, Calif., Aug. 17.—(AP)—First night game:
Hollywood 4 9 1
Oakland 5 2 1
Shawer and Depper; Gay, Darrow (7) and Balmori.

Second game seven innings:
Hollywood 0 6 6
Oakland 3 3 2
Fleming and Brenzel; Fallon and Conroy.

SEATTLE, Aug. 17.—(AP)—Night game:
San Diego 1 8 2
Seattle 7 11 6
Gonzales, Tobin (8) and Detore, Starr (8), Turpin and Campbell.

LOS ANGELES, Aug. 17.—(AP)—San Francisco 14 34 1
Los Angeles 3 16 1
Shawer and Woodall, Leonard (8), Fritz, Kuhn (8), Berry (8) and Adams.

Joseph Hague Selected
To Administer Oregon
Liquor Control System

Former Army Sergeant and Salesman Picked From
Score of Applicants for \$6900 Job
as State Rum Chieftain

PORTLAND, Aug. 17.—(AP)—Joseph J. Hague, ex-army sergeant, was named today to the \$6900 post of state liquor control board administrator, succeeding Otto J. Runte.

The 55-year-old Portland man, former Ford Motor company branch manager, was selected by Chairman Lloyd J. Wentworth and Commissioners J. N. Chambers and Lowell Stockman after almost a score of applicants were interviewed.

Hague first came here in 1906 and returned in 1936, after many years in business at Seattle and San Francisco. When the Ford plant here closed, he resigned rather than accept a transfer to Detroit.

He was born in Boston in 1884, served with the army in the Philippines from 1902 to 1905, and later covered eastern Oregon as an independent salesman for Portland manufacturers and jobbers.

Mr. and Mrs. Hague have two sons, one in the sales department of the Standard Oil company and the other, married August 16 in Berkeley, Calif., a junior at the University of Oregon.

Runte, held over when the former commission retired, has been administrator since 1936. Now in California due to the illness of a relative, Runte has not formally resigned.

6 Hurt as Truck
Smacked by Train

"Klamath" Plows Through
Mail Truck Standing
at Station

BERKELEY, Calif., Aug. 17.—(AP)—Six persons were injured, two critically, when the Southern Pacific passenger train "Klamath" ploughed into a mail truck in front of the Berkeley station, hurling wreckage into a group of persons waiting at the station to board the train.

Most seriously injured by the flying debris were Mrs. Rose A. Blyk, 39, San Francisco, and Eva Maier, 34, Oakland. They were taken to Berkeley hospital with possible fractured skulls.

Others suffering from severe lacerations were Helen Elizabeth Fellinger, 16, and her sister, Adelaide, 17, both of Weyburn, Saskatchewan; John Gaube, 53, Oakland, and Betty Wauscher, 52, Berkeley.

The mail truck was being loaded from a standing inbound train when the "Klamath" bound for the north, came into the station.

The flying wreckage landed among a group of more than 20 persons standing in front of the station.

Probe Into Train
Tragedy to Start

RENO, Nev., Aug. 17.—(AP)—A formal inquiry into the train wreck which killed 24 persons in central Nevada was set today for 10 a. m. Saturday at Carlin, near the scene of the tragedy.

A. D. McDonald, southern Pacific president, said here today the inquiry board would include executives of the Southern Pacific, Tom Elko, Nev., business men, and representatives of the interstate commerce and Nevada public service commissions.

Danzig Issue
Still Looming
As Large One

Tension Is Increasing
on Rumanian-Hungary
Frontiers

German Press Continues
Attacks on Polish
"Terrorism"

(By The Associated Press) Signs of increasing cooperation between Hungary and Germany in the uncertain European scene appeared last night after an extensive meeting between Fuehrer Hitler and the Hungarian foreign minister.

Semi-official sources in Berlin hinted that an agreement was being reached for Hungary's help in case of war.

Tension between Germany and Poland was unrelieved, and while the Nazi-controlled press played up reports of alleged terroristic attacks against Germans in Poland—along the pattern of similar press campaigns before the Austrian Anschluss and the breaking up of Czechoslovakia—Polish officials indicated they would continue an intensive drive against subversive activity they attributed to the German minority. A great many Germans were arrested and German organizations closed up, but many of those arrested soon were freed.

Hungarians killed two Rumanians. Another frontier incident flared along the Rumanian-Hungarian boundary. Bucharest officials said Hungarian troops killed two Rumanian guards and wounded one; a Budapest communique said the Hungarian guards were forced to shoot "in self-defense" when "five Rumanians came into Hungarian territory."

Officials in both nations' capitals said, however, the fighting incident "will go no further" because of the more serious international situation.

Informed political circles in Berlin felt sure one main point of contention between Hungary and Count Stefan Cseky, Hungary's foreign minister, was Hungary's readiness, if conflict should come, to permit the German army to occupy the Carpatho-Ukraine—far eastern part of what was Czechoslovakia and thus hold a strategic position in the direction of either Poland or Rumania.

Another point was said to concern prospects of remodeling Hungary along fascist-Nazi lines. A propaganda mouthpiece of the German government said "agreements between Germany and Hungary had been rendered secure in every direction."

Danzig Issue Still Looms. The Danzig issue still loomed large, but in the free city some feelings of optimism rose on an indication that negotiations would continue between the Polish commissioner general, Marian Chodacki, and the Danzig senate president, Arthur Greiser. Chodacki returned to Danzig from Warsaw, presumably with new instructions.

In Poland's campaign against espionage and other activity by Germans in the country, Rudolf Wiesner, leader of the minority, was questioned for several hours and released with the understanding he would be "in the disposal of the Polish attorney general's office."

Italy halted the withdrawal of Italian troops from Albania, her recently acquired territory across the Adriatic, as Premier Mussolini studied military problems with his army chief.

France showed her aerial might in a mock raid on England. "Under real war conditions," a British observer said, "the raiders would have been shot out of the sky." Two British bombers, killed, hitting one man and injuring another.

Stage Star's Kin
Is Held in Death

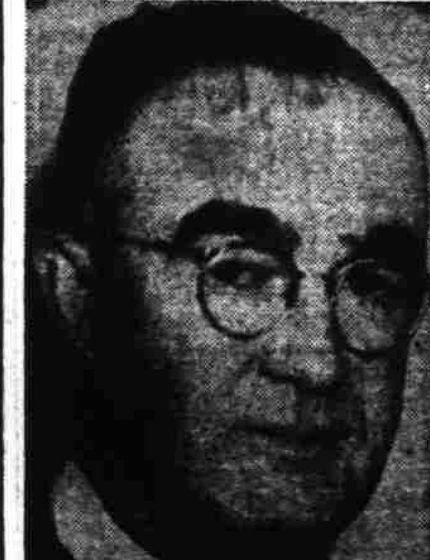
NEW YORK, Aug. 17.—(AP)—The playboy grandson of Lillian Russell, famed stage star of the gay nineties and sweetheart of the fabulous "Diamond Jim" Brady, was arrested tonight on a homicide charge in the fatal shooting of a friend.

Police Lieut. George Andrews said James Hamard, 32, son of Dorothy Russell Ouliv, was held in the death of Thomas Martines of Miami, Fla.

Andrews said the man had been drinking and went to Hamard's apartment, Martines fell asleep on a sofa and was burned when the couch caught fire from a cigaret. Hamard placed Martines in a bathtub and turned on the hot water, Andrews asserted.

Dr. Richard W. Grimes, assistant medical examiner, said Hamard died of second and third degree burns caused by a scalding.

Chosen to Head
Liquor Control



JOSEPH J. HAGUE

One Dead, 2 Hurt
After Gun Battle

Bandit Is Killed, Police
Pair in Hospital as
Fight Result

SPOKANE, Wash., Aug. 17.—(AP)—Robert Gaunt, 26, was dead tonight, two young police officers were in a hospital recovering from gunshot wounds and Gaunt's companion, Howard "Lyman" Gregory, 25, was held in lieu of \$2,500 bond as the result of a pre-dawn gun battle.

Officers Don Tesdahl, 26, and Robert E. Johnson, 23, were wounded—Tesdahl in the abdomen and Johnson in the right foot—when they overtook the bandit pair at a service station, fifth stop of the night for the raiders.

Hero of the gunfight was Robert Dellar, police radio technician who arrived during the battle. He fired the shots which killed Gaunt. Gregory was captured when he threw himself to the pavement to escape Dellar's fusillade.

The bandit pair first held up the Clark hotel night clerk, looted the office of stamps and small change and called a taxi. They drove out of the city, forced the driver from the cab and returned to hold up operators of an all-night diner counter and three service stations.

Detective Captain James McCarty said Gaunt's pockets yielded \$26.55 and Gregory had about \$50 when searched.

Few Giving Thanks Over new
Thanksgiving, FDR Fashion

By WILLIAM S. WHITE. NEW YORK, Aug. 17.—(AP)—The country took a breather tonight at the end of four days of national argument and unofficial referenda on President Roosevelt's decision to change Thanksgiving day, and this was about the only indisputable finding that emerged from what may go down as that August crisis of 1939.

Party lines, as they say in Washington, were holding generally firm. The governors of 25 states said the new Rooseveltian Thanksgiving of November 23, instead of the customary last Thursday, November 26, looked all right to them. (Most of them are democrats).

The governors of 14 states said with varying degrees of chill in their voices that what had been good enough, etc. (Most of them are republicans.) Nine were undecided or unreported. Meanwhile, the baritone cries of anguish over sadly scrambled football schedules which issued from the offices of many college athletic directors—thinking wistfully of long-planned "Turkey

day classics"—were taken up in broad A soprano by a large, but select group of debutantes and daily mamas.

Here in New York, for example, which must be the biggest debutante city in the country, it developed that much painful revision of dates would have to be made. Many debutante parties had been planned for the original, or antique Roosevelt, Thanksgiving; a great many mysterious, but nonetheless necessary arrangements had been made—and now all these must be undone.