

The Weather
Partly cloudy and warm today and Friday; low humidity. Max. temp. 80. Min. 61. River -3.9 ft. South wind.

All the News
The Statesman strives to cover all local news angles more fully with each issue. With Associated Press facilities, war news and national coverage are assured.

EIGHTY-NINTH YEAR

Gunfire at Sea Hints Second 'Jutland'

Conferees Talk Neutrality Act With President

Little Hope Foreseen for Embargo Repeal in Entirety

Congress to Get Bill in Finished Form Within 3 Days

WASHINGTON, Sept. 20.—(AP)—After an extraordinary, bi-partisan White House conference, administration forces in congress went forward tonight with plans for neutrality legislation repealing the arms embargo and placing all trade with belligerents on a "cash and carry" basis.

According to one person who attended the conference, Mr. Roosevelt indicated a preference for repealing the present neutrality act in its entirety and placing American relations with the warring countries on a basis of international law.

The present act principally imposes an embargo on all shipments of arms, ammunition and implements of war, to belligerent nations; limit the right of American citizens to travel on ships owned in countries which are at war, and prohibit other normal short-term loans to belligerents.

President Talks on World Conditions

One person who attended the White House conference said that Mr. Roosevelt opened the discussion with a short statement on world conditions.

He expressed belief that all would agree with him that the present situation is one of the most serious that the world ever faced.

The president was said to have observed that the war might last a long time and that if it did it undoubtedly would spread widely.

In that case, it was pointed out, there might be numerous belligerents, thus making it far more difficult for the United States to complete its neutrality.

He said that he would like to see a return to international law, but because the clauses which would be on the statute books would merely limit American citizens' actions, not those of foreign nations.

Vice President Garner, it was reported, told the president he always had favored international law as a basis of this country's dealings with other nations.

Mr. Roosevelt was said to have indicated his assent to this view.

At the outset of the conference, Mr. Roosevelt was reported to have outlined the workings of international law in various past wars, beginning with the American revolution.

Mr. Roosevelt traced the working of this law down to the present, and he and Pittman then were said to have engaged in a technical conversation as to how such law would affect Americans in the present world situation.

At the conclusion of the conference, Mr. Roosevelt was said to have advised the group that a statement should be issued on behalf of all. He wrote out this statement in his own handwriting, and then passed it around for suggestions. Some minor changes were made, and the statement was given to reporters later by Stephen Early, White House secretary.

The statement said: "This conference, with unanimous thought, discussed the primary objective of keeping the United States neutral and at peace. There was complete accord that in congressional and executive action, the whole subject and its many ramifications are dealt with in a wholly non-partisan spirit."

Can Britain Block G Threatens to Blockade



In retaliation for allied blockade of the seas, Germany has threatened to bomb Great Britain's seaports with a fleet of 3000 planes in relays of 50 each. At top is a flight of Germany's high-speed, efficient bombers of a type which might be used in the raids. Below is a map of the British Isles, showing possible targets. (IIN photo.)

Papermill Here Rushed To Fill Rising Orders

By RALPH C. CURTIS
That the papermaking industry which provides Salem's largest industrial payroll is enjoying a sharp upward trend at present is affirmed both by coastwide and local reports.

From the Oregon Pulp & Paper company here came word that the local plant, for the first time in more than a year is operating on a full six-day basis with a marked increase in orders.

How long this condition might last, local company officials were unable to say. Hope was expressed that full-time operation might continue through the remainder of the year.

The paper industry's improvement is in line with the general stepping-up of production, due partly to the war though it extends to many industries which have no direct connection with war. Papermaking belongs to one of these categories.

One of the factors aiding these non-war industries is the pre-occupation of Europe with the war, to the exclusion of manufacture for export, and another is the hazard and uncertainty of shipping even from neutral European countries.

This latter factor is the most obvious one benefiting the Pacific coast pulp and paper industries. A large proportion of the world's pulp supply comes from the Scandinavian countries, and this source is rendered especially uncertain by the blockades and sea fighting in the North Atlantic.

Pulp from these sources flows normally to paper mills in the eastern states, and the result of curtailed supplies and rising prices is a shifting of orders to western mills which have local pulp supplies available.

To an extent which cannot now be determined, the upturn in the paper industry also reflects a domestic improvement totally unrelated to the war.

Gray Sentenced, Fined
PORTLAND, Sept. 20.—(AP)—A maximum sentence of 15 years in prison and a fine of \$500 was imposed today upon Joe Everett "Bad Eye" Gray, 31, convicted Monday of manslaughter. He was accused of fatally stabbing Charles Howard Clark, 55, last March 17.

Heat Clings to California; 19 Deaths in Los Angeles
(By the Associated Press)
California, 1,000 miles long between its Oregon and Mexican borders, sweated through the fifth day of perhaps the most oppressive heat wave, with temperatures generally above the 100 mark and no immediate relief in prospect.

In Los Angeles alone, where the thermometer climbed today to 107.3 degrees, 19 deaths have been attributed to heat attacks induced by the severe weather. Los Angeles' maximum today was the highest since September 17, 1913, when 108 degrees was recorded.

More than 200 heat prostrations have been reported in southern California counties in the last five days. Seventy-three persons received first aid treatment in

Defenders Say Warsaw Holds For 13th Day

Colonel Claims Nazis' Assault Smashed by Counterattack

Bombing of Museums Reported Before Radio Cuts off

BUDAPEST, Sept. 21.—(AP)—The Warsaw radio suddenly went off the air today after having broadcast for through the night with a grim story of how Poland's capital was being shelled and bombed as never before.

The station went dead during the early morning half way through the playing of a Polish military air.

Its silence, ended at least temporarily, the only means of communication between the German-surrounded city and the rest of the world.

BUDAPEST, Sept. 20.—(AP)—Defenders of the Polish capital of Warsaw were reported tonight to have driven back besieging German forces with a cavalry counter-attack and bitter hand-to-hand fighting.

Colonel Vaclava Lipinski declared over the Warsaw radio that the cavalry beat back a tank attack in the western section of the city late in the thirteenth day of siege.

"We again smashed the German attack," he said. "The Germans started to make a bayonet charge, but the Poles are better in a hand-to-hand struggle and proved stronger, capturing three heavy and two light machine guns."

"Today there were several air raids on the center of the city, especially on Pilsudski square and the big hotels."

"Between 5 and 6 p.m. 30 planes made a terrific concentrated attack. Seven were shot down."

"Meanwhile heavy artillery fire was aimed at the center of the city, and there was great loss among women and children."

"The Russian military intervention in Poland was not a complete surprise to the British government, that this 'cynical attack' was a tragedy to Poland, but that it was still too early to 'pronounce any final verdict' on the motives or consequences of the Russian action."

Two, neither the Russian action nor Adolf Hitler's speech yesterday "changes the situation with which we are confronted."

Three, while Hitler emphasized "humane methods by which he has waged war" methods "are not made humane by calling them so" and "accounts of German bombing of open towns and machine gunning of refugees have shocked the whole world."

"Four, Britain's general war purpose is 'to redeem Europe from the perpetual and recurring fear of German aggression and enable the peoples of Europe to preserve their independence and their liberties' and 'no threats will deter us or our French allies from this purpose.'"

"Five, if Britain and France have been unable to 'avert the defeat of the armies of Poland, they have assured her that they have not forgotten their obligations to her nor weakened in their determination to carry on the struggle.'"

"Six, a white paper tomorrow 'will make plain the true course of events' in contrast to what Chamberlain described as 'many misstatements of fact' by Hitler."

"Seven, Britain which in the last war was 'on the defensive against the U-boat campaign' is now 'carrying out an offensive against German submarines' and 'already six or seven German submarines have paid the full penalty for their attacks on British shipping.'"

"Lifting slightly the curtain on Britain's war strategy, Chamberlain said 'strategy is the art of concentrating decisive force at the decisive point at the decisive moment.'"

When or where the decisive force would be assembled he would not hazard a guess, but he declared "the scale of our preparations insures that our strength will increase progressively to meet whatever may come."

Britain Fighting for Keeps Chamberlain Tells Country

Entire Nation Geared to Give Utmost Effort

Russian Moves Fail to Surprise or Change War Situation

Reported Upheaval in Nazi-Held Areas Hailed as Sign

LONDON, Sept. 20.—(AP)—Prime Minister Chamberlain assured the nation today that Britain's war effort would be "the utmost of which it is capable" and declared "our advance must be orderly but the pace of the advance will steadily quicken."

The government, he told the house of commons in his third war report, would "not rush into adventures that offer little prospect of success," but he said there was no operation that would be avoided which would "make an appropriate contribution to victory."

Meanwhile, on the internal German front, the ministry of information said it had received authoritative reports that a revolutionary movement started last Sunday in Bohemia and Moravia, former Czechoslovak territory which became a German protectorate following the break-up of the little republic last March.

The ministry said it was reported that despite "ruthless" repressive measures by the Nazis the fight against superior forces was continuing.

Half-Hour Speech Covers All Fronts

In a speech of more than half an hour dealing with the progress of the war on both the eastern and western fronts and on the seas, the prime minister made these principal points:

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"Lifting slightly the curtain on Britain's war strategy, Chamberlain said 'strategy is the art of concentrating decisive force at the decisive point at the decisive moment.'"

When or where the decisive force would be assembled he would not hazard a guess, but he declared "the scale of our preparations insures that our strength will increase progressively to meet whatever may come."

The whole British commonwealth, he said, was fast mobilizing forces "stronger and more powerful than at the outset of any past war."

Biggest Freighter Stuck in River
VANCOUVER, Wash., Sept. 20.—(AP)—The 837-foot Andrea F. Luckenbach, the United States' largest freighter, was aground in the Columbia river tonight, two and a half miles below here.

Rumors Bremen Held Not Denied in Isles

Germany's Crack Atlantic Liner May Be Interned in English Port Although Official Confirmation Slow, Press Says

LONDON, Sept. 21.—(Thursday)—(AP)—The British Press association said that according to reports prevalent today and not denied Germany's crack liner Bremen had reached a British port under the escort of naval vessels.

The press association said "for some days various stories have circulated that the Bremen had been captured and was on her way to England. Though no official confirmation was forthcoming in London this morning the story of the liner's capture was not denied."

Mystery has surrounded the Bremen since she left New York August 30.

Reports that the liner had reached a neutral port were never confirmed.

The Bremen sailed from New York on Aug. 30, two days before Germany invaded Poland, and has not been definitely reported since.

LONDON, Sept. 20.—(P)—The crew of the British trawler Alvis came into port today and told an amazing story of an encounter with a submarine commander who spared their craft because their lone lifeboat was so rickety.

"I'm sorry, I must sink you," the crewman quoted the commander who came alongside the Alvis. Then after looking over their lifeboat he permitted the trawler to proceed.

The only damage suffered by the Alvis was a smashed radio.

Last Saturday the German ambassador to Russia, Count Friedrich von der Schulenburg, intimated the \$20,000,000 pride of the German merchant marine had been captured by Britain.

He said questions concerning the ship should be referred to Winston Churchill, first lord of the British admiralty.

"American authorities," he said, "were so kind as to hold up the Bremen for 22 hours and so far as I know the British have rather fast destroyers."

The Bremen sailed from New York without passengers after being held up for lifeboat and other inspections.

Russian, German Drives Continue

Red Army Announces Fall of Lwow; Reich Troops Capture Prisoners

MOSCOW, Sept. 20.—(P)—The Soviet Russian high command reported tonight its troops driving through Poland had occupied Grodno, about 16 miles from the East Prussian border.

Grodno is 90 miles southwest of Wilno (Vilna), in northeast Poland near the Lithuanian border and 45 miles northeast of Bialystok, communications center reported occupied by German forces.

A previous communique announced the capture of Wilno. In southeast Poland the soviet army reported the occupation of Kovel, Ukrainian town 100 miles north of Lwow, industrial center which the red army command announced was occupied earlier in the day.

BERLIN, Sept. 21.—(P)—The German army high command today issued the following communique: "Polish prisoners taken along the northern front increased to 170,000 and the number steadily is increasing."

"More than 300 cannon and 40 armored cars fell into German hands."

Reverberations Reported Along 70-Mile Coast

Jutland Peninsula Is Excited by Noises Heard by Many

COPENHAGEN, Sept. 20.—(AP)—The possibility that a second battle of Jutland was taking place off Denmark today excited the whole eastern coast of the Jutland peninsula.

Sounds which hearers said were unmistakably those of gunfire were heard from Skagen, at the northern tip of the peninsula which is Denmark's only continental province, to points northeast of Aalborg, 50 miles to the south.

The sounds were particularly loud on the northern shore of the island of Laeso, off the Jutland east coast.

At Berlin, the German high command said it knew nothing of a reported sea battle.

The Swedish naval attaché at Berlin suggested the possibility that Swedish ships were holding target practice, but at Stockholm the admiral of the western Swedish naval division said there were no exercises by his ships today.

The fighting, it such, continued over seven hours, ending at 5 p. m.

(The battle of Jutland in the world war was on May 31, 1916. It started at 3:45 p. m., continuing until some time after 7 p. m. Germans claimed a victory in that the British, with far greater strength, did not inflict a defeat and suffered greater losses in men and ships. However, the German fleet did not appear in the North sea again until it came out to surrender in November and December, 1918.)

Thin Line of Ships Reported by Gazer

Few of those who sought signs of ships had any success. The exception was the police chief of Laeso island, off the coast, who mounted a high tower and used binoculars to view the area from which the sounds seemed to come.

He said he saw distinctly, on the far horizon northeast by east a thin line of ships, but that they were at such a distance he was unable to tell if they were fighting ships, whether they were firing, and the direction in which they were moving.

During the firing, fishermen intrepid enough to push into the Strait of Kattegat between Sweden and Denmark despite the danger of mines, hurried to port and added accounts of the sounds of firing.

70-Mile Sector Hunts Big Battle

Listeners agreed that at least 200 shots were given or exchanged and thought the sounds were cannon fire and not bombs.

The fact that the shots were heard along the whole of a 70-mile stretch of coast indicated that if it was a battle it was a terrific one.

A watch was kept along the coast during the night for possible survivors who might need help or have information.

A possible explanation for the cannonade was given by the Ritzau (Danish) news agency.

Ritzau reported that a Swedish artillery regiment held target practice on an island off the Swedish coast during the day with a ship towed out to sea as the target.

The artillery ranges were reported to be about three miles northeast of the island of Laeso, but whether the reports of these guns could be heard over such an area of the Jutland peninsula was questioned.

Ask Large Slash in State Costs

State Budget Director David Eccles has sent letters to all state departments heads asking that they cut \$370,000 from state expenditures during the current biennium.

Eccles said this retrenchment, if effected, would wipe out the accumulated deficit of \$500,000 and a prospective deficit of approximately \$165,000.

Several department heads said it would be difficult to reduce their operating costs due to the appropriation cuts by the 1939 legislature.