



CHINESE REPEL JAPANESE DRIVE

OLD OFFICIALS OF PRUDENTIAL ENJOIN MOTT

Johnson and De Grace Seek To Prevent Removal from Loan Firm

Claim Charges Against Them Untrue and Action Not Justified

Suit was brought in circuit court here today by Carl H. Johnson and C. A. DeGrace seeking to enjoin James W. Mott, its corporation commissioner, and J. R. Callahan as his deputy, from removing them as officers in certain savings and loan associations. Johnson asks that officials be restrained from removing him as president and director of the Prudential Savings & Loan association, Union Savings and Loan association, Federal Union Savings & Loan association, De Grace asks that they be enjoined from removing him from the office of vice president and director of the Prudential Savings & Loan association. They allege that if the defendants are not restrained from removing the plaintiffs from their offices that each of the plaintiffs will be irreparably damaged.

SENATE SPURNS SALARY SLASH

Washington, Feb. 13 (AP)—The senate civil service committee today rejected bills by Senator Borah, republican, Idaho, to cut the salaries of members of congress and the cabinet and to eliminate the allowances of mileage to members of congress.

Another Borah measure proposing graduated reductions in salaries of government workers was referred to a subcommittee headed by Senator Brookhart, republican, Iowa, a foe of the proposed cuts in pay.

Also, the bill of Borah to slash the salaries of members of the farm board was turned over to a subcommittee headed by Senator George, democrat, Georgia, for further study.

The action of the senate committee, of which Dale, republican, Vermont, is chairman, is expected to doom the salary reduction measures but Borah is going to seek a record vote on the legislation in the senate.

RECOVER STOLEN DRESSES IN AUTO

If any Salem housewife lost several dresses off her clothesline Friday night, she probably can find them at police headquarters.

Sergeant Powell Clayton of the state police ran onto George Moser and Henry Goss at Fairview and Pacific highway, and indications were that they had been stealing gasoline. Anyway, the officer hinted his suspicions quite forcibly and the two men didn't deny it. Clayton took them to headquarters and turned them over to the city officers.

In the possession of the two men were found four dresses, draped in a bath towel, all damp as if they had been taken from a clothesline.

Moser and Goss were driving a car carrying a Washington license and investigation shows, according to the officers, that Goss did time in the Washington reformatory at Monroe.

PLAN CONFERENCE ON SILVER SITUATION

Washington, Feb. 13 (AP)—A group of western and southern senators agreed today to send an invitation to members of the French parliament for the formation of an informal inter-parliamentary association to study legislation to restore the purchasing power of silver money.

Washington, Feb. 13 (AP)—The house pension committee today reported favorably on the Gasque bill granting uniform pensions to widows and minor children of veterans of all United States foreign wars.

Good Evening!

Sips for Supper
By DON UPJOHN

While Karl Armstrong is spending his time checking up on figures maybe we can get him on next bank holiday to run down to Cervia and check up on a few figures down there.

LADIES STUDY UP
The Sigma Nu chapter of the Delphian society will conclude its year of the study of art Monday afternoon with the lesson on the art of illumination. The Statesman. Maybe our old friend Sig Harrie of Brooks could be called in for a lecture on how he proposes to "illuminate" the road patrolmen.

BIG DOINGS AHEAD

Great excitement prevailed among eligibles for membership in the False Teeth & Bridge association on announcement we made recently of the menu to be provided at the first annual banquet of the organization. Frank Minto, chief of police, sent his messenger over to find out if he could qualify for an associate membership, seeing as how he is losing his gradually one by one. Rev. H. C. Stover of the Knight Memorial church is said to have stood in line half an hour or more for a ticket and John W. Probst, mail carrier out on route 1 could hardly get his mail carried with for wanting to hustle in and get lined up before the tickets were all gone. A big feature has been added to the program in shape of a standing toast to "Our Absent Brother," as a tribute to Biddy Bishop now living on Chile concern and tangles in the east. Cecil Spencer came forward and offered a couple of cases of soft strawberries to add to the menu. Bert Staver lined up in the contest for youngest member, being eligible now, less than a week. He's sent in word to be sure and have plenty of warm milk on hand. Louis Grote will be a candidate for work in final grade in the initial end of the program not only having laid the bottom knocked out, but also being on his uppers. Carl Nelson is candidate for chairman of the bridge committee at the annual election following the banquet. Secretary Earle Daise reports that applications for membership are piling in on him so fast he expects to have to work over Sunday on the books of the association to catch up.

Every political story we've read for the past month has referred to someone as a "stormy petrel," especially Chuck Spaulding being pulled in heavy on the stormy and petrel stuff. Let's hope they dig up a new phrase for the coming week.

A chap coming up from California via motor reports he saw a hitch hiker standing on a street corner wearing a sign on his back reading thusly: "If I don't get a ride I vote for Hoover. And I never walked yet." When hitch hikers get to throwing around such colorful threats as that there oughta be a law.

As usual space is too limited to thank one and all for the wealth of valentines which has come floating in. We've been pictured as jackass, a pig, a cow, a goose and a whole flock of other things. In a few years we'll have enough to pass back to all our friends some glad St. Valentine's day.

FOOLED BURGLARS WITH IRON WASHERS

Dallas, Texas, Feb. 13 (AP)—R. E. Hofffield, grocery, had the laugh on burglars today because he was prepared for them.

Robbers who raided his store in a holdup carried away a money sack well filled. But Hofffield had filled the sack with iron washers of the size of nickels, dimes, quarters and half dollars, wrapped in bank paper.

He had prepared the sack after he was held up a month ago. First time in his 20 years in the grocery business.

Disarmament Hinges On Sino-Jap Outcome Says Chinese Delegate

Geneva, Feb. 13 (AP)—Dr. W. W. Yen, Chinese delegate to the world disarmament conference, told the conference this morning that its success or failure depends upon the outcome of the conflict between China and Japan in the Far East.

Geneva, Feb. 13 (AP)—The German proposals for disarmament will be laid before the conference tomorrow.

ALLEGED PACT BETWEEN JAPS AND RUSSIANS

Secret Treaty To Give Japan Control of Manchuria and Mongolia

London Express States Agreement Alternative To War in Far East

London, Feb. 13 (AP)—Sensational charges of a secret treaty concluded between soviet Russia and Japan, giving Japan control of Manchuria and part of Mongolia, were published in the Daily Express today. The Daily Express article asserted that the agreement was concluded by Moscow as an alternative to war over Russia's waning interests in Manchuria, now occupied by the Japanese.

The newspaper said the desire of some soviet leaders to "fight it out" with Japan had resulted in a "bitter conflict" in the inner councils at Moscow.

The soviet government was declared to be pledged under the pact not to intervene in any affair affecting the Pacific coast—a perpetual stipulation of peculiar interest to the United States.

The Daily Express correspondent also said that it had been agreed that soviet interests in the Chinese Eastern Railway, running through North Manchuria, would be sold to Japan. Japan acquired the railway rights in South Manchuria in the Russo-Japanese war in 1904-05.

Joseph V. Stalin, soviet dictator, was said in the article to have overruled demands for war by deciding to accept the pact.

Thomas spoke in reply to the criticisms of the socialist party by Harold Spitzer, North Adams communist in an open forum which followed a socialist address by Maynard Kreiger, University of Pennsylvania instructor at an intercollegiate conference under the auspices of the Liberal club of Williams college.

"So far there has been less violent and non-violent mass demonstration by the workingman in this depression than in any which has preceded it," said Thomas, socialist candidate for president in 1928.

"This depression has produced less mass demonstration, I believe because of the recoil and actual fear of violence among the workers and the fear that such demonstration will lead them up with the communist theory of inevitable revolution."

Spitzer denied the communists advocated violence, saying that members who encouraged such tactics were eligible for expulsion.

JUST ADVERTISE
Atlanta, Ga., Feb. 13 (AP)—Mark W. Cresap, Chicago clothing manufacturer, says 30 years in the business have taught him newspaper advertising is the basis of retail merchandising success.

"Newspaper advertising planned along sound lines will lead the way back to certain prosperity," Cresap said.

Home Made 'Chute Fails To Function

Los Angeles, Feb. 13 (AP)—With three cents in his pocket, and a home made parachute on his back, Rolfe N. Lane leaped from a 12 story building here yesterday in search of fame and fortune, and found death.

The contraption failed to open and Lane's body was broken on the pavement below.

Borah Warns That Boycott Means A War

Washington, Feb. 13 (AP)—Replying today to renewed demands of the world peace foundation for a boycott against Japan, Chairman Borah, of the senate foreign relations committee again warned that this "would in all probability be a step toward war."

"I quite agree with these good people," said Borah in commenting on their latest letter to him, made public in Boston last night, "in their desire to see controversies settled through peaceful means but I disagree with their proposal because it is not 'peaceful means.'"

"What they regard as a step toward peace would in all probability be a step toward war. When situations such as these arise we have to deal with realities, not theories and symbols."

The foundation wrote its letter in reply to recent criticism by Borah of its suggestion for a boycott.

MURRAY FILES NORTH DAKOTA

Oklahoma City, Okla., Feb. 13 (AP)—Murray-for-President headquarters here announced today that Governor W. H. Murray's name will be filed in the preference primaries of Georgia, South Dakota and Oregon.

The governor's name was filed for the North Dakota primaries today, and will enter the Georgia lists next week.

In announcing the decision to test Murray's strength in at least four states, George Henshaw, manager of the Murray-for-President headquarters, said he had information from Georgia that the race will be between Roosevelt and the Oklahoma governor.

"We have not established state headquarters exactly in these states," Henshaw said, "but Murray-for-President offices have been opened. Some were opened by friends, independent of any state organizations."

The headquarters manager said a national campaign fund was lacking and "we are just living from day to day on the dollar contributions which are coming in slowly."

Murray's name would be placed on the Oregon lists next week, he said, about the time it is entered in Georgia.

BURIED TREASURE BRINGS \$100 FINE

Portland, Feb. 13 (AP)—Max Grishaber had his day in court today because he attempted to appropriate buried "treasure" at Depoe Bay.

It happened when federal and state police were attempting to unearth a large quantity of liquor buried in the sand on the beach and believed unloaded from the trolley Sea Island before that boat burned last week.

Grishaber had dug up a case of liquor and was carrying it away when the officers appeared.

"Well," said Grishaber, visibly at sea as far as court proceedings were concerned, "I reckon I'd better say I'm guilty."

Judge Fee imposed a fine of \$150, then announced the fine would be suspended and Grishaber placed on probation for one year.

Grishaber appeared disconsolate, and sadly he surveyed the situation. Then he grinned happily when he had not been sentenced to a year in prison.

INDEPENDENT STATE PROPOSED BY JAPS

Harbin, Manchuria, Feb. 13 (AP)—General Hasebe, commander of the Japanese forces which recently captured Harbin, called Gen. Mah Chan-Shan and other Chinese leaders of Northern Manchuria into conference today to discuss the proposed independent Manchuria-Mongolia state.

The independence plan proclaimed by the Japanese will be taken up at a forthcoming conference of all leaders at Changchun.

ROW ENLIVENS PARLEY ABOUT ISLAND ISSUE

Secretary Hurley Walks Out, Refusing To Be Called Liar

War Department Head Takes Offense at Remarks of Senator

Washington, Feb. 13 (AP)—Secretary Hurley and Senator King, democrat, Utah, patched up their differences today after a sharp verbal clash between them which led the secretary of war to walk out of a senate committee hearing on Philippine independence.

Washington, Feb. 13 (AP)—Secretary Hurley today walked out of a senate committee hearing on Philippine independence after a sharp verbal clash between them which led the secretary of war to walk out of a senate committee hearing on Philippine independence.

Hurley left the meeting after Senator King, democrat, Utah, had told the secretary he resented "an untrue" statement the war department head had made.

His voice shaking with emotion and ringing angrily through the committee room, Hurley leaped to his feet and asserted with vigorous gestures:

"You can run your star chamber proceedings in here and call me a liar and browbeat your witnesses but you can't compel me to remain here and take it."

The incident climaxed two stormy sessions of the senate insular committee. At the previous one Hurley became engaged in an acrid dispute.

SOVIET DENIES THOUGHT OF WAR

Moscow, Feb. 13 (AP)—Repeated reports from cities far from Moscow of Russian "troop concentrations," and of increased Soviet industrial activity for "war" produced either ridicule or amusement among Soviet officials today.

Yet the incident climaxed two stormy sessions of the senate insular committee. At the previous one Hurley became engaged in an acrid dispute.

The people obviously had no thought of war. The complete lack of war spirit made reports of "red armies" straining at the leash seem ridiculous.

The latest foreign rumor, that Russia and Japan had concluded a secret treaty regarding their Manchurian policies, was considered sufficiently dangerous to warrant a denial.

It was emphasized that a Soviet proposal of non-aggression has not yet been answered by Japan and that possibly the reports of a secret treaty were outgrowths of that proposal.

GAME BOARD TO PASS ON CLOSURES

Portland, Ore., Feb. 13 (AP)—The annual meeting to consider opening and closing streams and lakes for fishing in 1932 will be held by the game commission here at 9 a.m. Monday.

The entire day, or at least the morning session, will be given over largely to application from sportsmen closing the gate for opening or closing waters.

"Less than one percent of the lakes and streams of Oregon will be closed to sport fishing during the regular open season this year," Art M. Fish, in charge of research for the commission said today.

"If anything, closed water will be reduced instead of increased if the recommendations of the department are adopted by the commission."

CHINAMAN ROUTS THIEF WITH HATCHET

Newark, N. J., Feb. 13 (AP)—When a negro bandit tried to hold up Yee Lee, in his Chinese laundry here, Lee went for the bandit with a hatchet.

Ainsworth, Hanley Expected To Stick If Spaulding Goes

By HARRY N. CRAIN

Governor Julius L. Meier today faced the first serious crisis of his administration, a wide open breach between members of the state highway commission, with a reported determination to settle once and for all the chronic discord which has been disrupting the road board for a full year, breaking down the morale of the organization, crippling its efficiency and undermining public confidence both in the highway department and the administration which so far has failed to establish harmony and coordination in the largest and perhaps most important of all of the governmental departments coming directly under the executive's thumb.

For a full year Governor Meier has been temporizing with the highway situation, patching up quarrels and saving sore spots. Today, by reason of the tendered resignations of Commissioners J. C. Ainsworth and William Hanley resulting from the failure of the governor to fulfill the promises upon which they accepted appointment to the commission, the executive is brought face to face with a crisis.

The governors endorsement of the work of President Hoover's public lands commission, Dern said, had merely been praise of the study and acceptance of the plan of giving the states the option of taking over the lands.

"It was in no sense an endorsement of the idea we were to accept the land," said Dern.

The public lands committee has not yet opened hearings on the bill for turning the public domain to the states but Dern was allowed to make his statement on it while he happened to be in the east.

The Utah governor scored especially the idea of turning over only surface rights to the states.

BURGLAR SHOT IN STREET FIGHT

Spokane, Wash., Feb. 13 (AP)—Richard Poth, 25, unemployed, robbed a Piggly Wiggly store here today, shot and seriously wounded two men, and was shot down and dangerously wounded by detectives in a running gun fight through the city streets.

Armed with an army automatic pistol and several clips of cartridges, Poth fought three police officers, and another armed man, together with several citizens who joined in the chase through the snowy streets for five blocks, hailing shots at everyone who tried to halt him.

The wounded: Poth, shot through neck and head; Motorcycle Officer P. B. Anderson, shot through abdomen and right hand.

Raymond C. Evans, 29, truck driver, shot through left abdomen and left arm.

Phineas McCurdy, truck driver, narrowly escaped death when one of Poth's bullets, fired at close range, burned his overalls and ripped them open over his heart.

CHURCHILL CALLS AT WHITE HOUSE

Washington, Feb. 13 (AP)—Winston Churchill, British author and political leader, paid a personal call today on President Hoover at the White House today. He declined to discuss his visit.

"I am not authorized to make any statement concerning my call," he said.

Lumber Company Sues Tax Commission For Reduced Excise Taxes

The Shevlin-Hixon Lumber company of Bend in a suit filed against the state tax commission here today asks for a review of the commission's findings as to its excise tax for 1929 and that its tax for that year be determined at \$1746.12 under the excise tax law and that the state be required to repay to the plaintiff \$3,808.09, alleged to be exact payment made by the company under this state law.

The company in its complaint states that 89% per cent of the lumber produced in its Bend plant during 1929 sold east of the Rocky mountains, that only 10% per cent of its lumber was sold in Oregon by any agency in this state and that other sales were made through its Minneapolis offices.

It shows that in 1929 its entire

JAPS RETREAT AFTER ATTACK ON WOOSUNG

Fiercest Battle of Shanghai Campaign Ends in Jap Withdrawal

Heavy Bombardment Precedes Assault — Peace Efforts Fizzle

(Copyright, 1932, by United Press) Shanghai, Sunday, Feb. 14 (UP)—The Japanese and Chinese armies came to grips along Woosung creek on Saturday in the fiercest battle of the Shanghai campaign and the banks of the creek were littered with dead and wounded.

The Chinese at 1 a. m. Sunday reported hundreds of casualties on both sides. The Japanese admitted several officers and many men were killed and wounded.

Mayor Wu Teh-Chen announced that the Chinese commander at 9:40 p. m. had reported the Japanese, who previously had crossed the creek and stormed the Chinese positions, had been compelled to withdraw across the creek.

The battle began after nightfall and was halted at 11 p. m., while the Japanese reorganized for another attack. The Japanese admitted their casualties included one captain. The relative positions:

DRAFT BILL TO AID RAILROADS

Washington, Feb. 13 (AP)—Legislation to lift a \$361,000,000 burden from the nation's railroads soon will be drafted by the house interstate commerce committee.

This amount is involved in repeal of the transportation law provision authorizing the recapture of excess carrier earnings due from the railroads. In addition the interstate commerce commission has \$10,000,000 already paid in which would be returned to the roads.

Chairman Rayburn announced today a bill embodying recapture repeal and revamping the rate making provisions of the law will be the first of a three fold program to better railroad conditions that will reach the house this session.

The committee next week will receive testimony on the Rayburn railroad holding companies.

The third step in the program would set up government regulation of interstate motor bus transportation. It is expected the house will pass the same bill it sent the senate last year.

RAIL PENSION PLAN TO BE DISCUSSED

The railroad pension bill to be introduced in congress in the next few days was received Saturday by officers of the Salem Pension club and will be discussed and explained at the regular club meeting Sunday afternoon at 1:30 o'clock in Labor hall.

J. M. Sehon, deputy state insurance commissioner, will address members of the club on the Pension plan embodied in the bill. Sehon has gathered information about similar pension plans, and is an expert on insurance matters. Election of trustees will also be held at the meeting.

JAP BOMBERS FLY OVER U. S. SECTOR

Washington, Feb. 13 (AP)—Admiral Taylor, commander-in-chief of the Asiatic fleet, reported that two Japanese bombing planes flew over the American sector of the Shanghai international settlement several times this morning in violation of the orders given by Admiral Nimitz that such flights be discontinued.

In accordance with Admiral Nimitz's request, reports on these flights were made to him, Taylor said.

Voluntary Cut In Wages Accepted

Chicago, Feb. 13 (AP)—A voluntary 20 per cent wage reduction effective March 1 has been granted by Chicago union building trade workers in an effort to revive construction in this area.

The reduction which was for a period of one year was agreed to after contractors presented figures showing that nearly \$150,000,000 in projects were postponed in the past two years due to high building costs.