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Capital Journal

SALEM, OREGON, FRIDAY, AUGUST 13, 1937

PRICE THREE CENTS

Weather
Fair tonight and Saturday, cloudiness in west, gentle northwest wind. Yesterday: Max. 88.1, min. 57. Rain 0. river -3 ft. Northwest wind, partly cloudy.

JAP WARSHIPS SHELL SHANGHAI

PIERCE HALTS EXTENSION OF POWER LINES

Rural Electrical Extensions Costing \$110,000 Held up by Legislator

Opposes REA loan to PGE To Give Preference to Local Co-ops

Expenditure in Marion county of about \$66,000 and several rural electrification extensions projected by the Portland General Electric company are endangered by activity of Congressman Walter M. Pierce against the construction plans of the PGE in the Willamette valley.

Information from Washington is that the rural electrification administration has notified the Portland General Electric company that Mr. Pierce has blocked a \$110,000 program of the company in six Willamette valley counties. Grounds for Pierce's activity are said to be that preference should be given public bodies and cooperatives.

"It would seem that business men, farmers and other persons in the Willamette valley who will benefit either directly or indirectly from the expenditure of the \$110,000 should realize that the loan may be blocked (Concluded on page 11, column 5)

NO MAN'S LAND LOST AND WON

Madrid, Aug. 13 (AP)—The olive-clad slopes of the castle city of Lopera in Jaen province was reported a no-man's land today after bitter fighting in which government and insurgent troops alternately prevailed.

It changed hands twice yesterday, but the insurgent victors were reported to have found their position untenable and to be moving out of the southern city.

A government surprise attack drove out the insurgents early in the day. Later, faced by an overpowering advance by insurgent reinforcements, the Milicianos withdrew.

Government artillery went into action all along the long-inactive front between Lopera and Porcuna, and the insurgents were reported evacuating both these cities.

The insurgent positions from Arjona to Arjonilla likewise were described as precarious in view of new government activity. If their troops are able to take Porcuna, about 80 square miles of additional territory will fall into government hands.

It was reported that the insurgents claim "complete success" against the government's counter offensive in the Caceron mountains, but that the strength of the government attack in the south was acknowledged.

Madrid remained quiet, but government planes were successful in bombing forays against insurgent positions at Burgos and two railroad centers on the central front.

PHONE SERVICE TO SHANGHAI SUSPENDED

New York, Aug. 13 (AP)—Due to "abnormal conditions" in Shanghai, telephone service between San Francisco and the Chinese city have been indefinitely suspended.

An official of the American Telephone and Telegraph company long lines department said a radiogram was received from the head of the company in Shanghai saying they would be unable to handle any traffic.

There was no indication whether Chinese-Japanese fighting in Shanghai had imperiled telephone headquarters.

LACERATED BODY OF CHILD FOUND

New York, Aug. 13 (AP)—The lacerated body of 4-year old Joan Kuleba, missing from her home at South Beach, Staten Island, since yesterday afternoon, was found today in an abandoned house not far from the beach.

The child's body had been slashed with a knife from throat to waist. It was lying face downward with several stones piled on the back.

NOVELTIES in the NEWS

(By the Associated Press)

Richmond, Va.—Frank Moran, secretary to state police superintendent H. B. Nichols, told this one today:

A rookie state patrolman, feeling the influence of his badge and gun, stopped a tourist car which was several inches out of the right highway lane.

"Where are you from?" he demanded.

"Cincinnati," replied the tourist.

The new officer smiled triumphantly. "Well, buddy, suppose you explain why you've got Ohio tags on your car."

Philadelphia—The zoo here has put five electric eels to work. Two electrodes, a bit of wire and a bulb have been rigged up. The eels, touching one electrode, light the bulb.

Each eel generates up to 500 volts of electricity, attendance in the reptile house estimate.

Columbia, S. C.—Former Governor John G. Richards said he saw a tobacco-chewing crab at the beach.

Richards said someone threw the crab, a pet, a burning cigar stub.

The crab beat out the fire, ate part of the cigar and dragged the remainder to its hole.

Berkeley, Calif.—"Oh, gimme a truck, a big red truck."

"And gimme a fire-ax, too—"

"And I'll go wahoo, wahoo—"

"W-a-a-oo!"

That's just what Berkeley firemen did. Their siren quit.

Salt Lake City—William Gullickson's White Leghorn hen didn't cry when her eggs failed to hatch. She adopted three kittens.

Falls City, Neb.—Three youths were hauled before County Judge E. E. Durfee for the theft of six chickens.

"What did you do with them," the judge asked one of the boys.

"We sold them to a sidewalk performer who eats live birds," came the reply.

The judge ordered the oldest of the youths to stand trial.

Blairsville, Iowa—Gerald Brown of Des Moines worked one day on the C. L. McLaughlin farm and returned home thoroughly convinced he is no farmer.

Warned not to drive his team too closely to the threshing machine, Brown made that mistake and one of the horses lost its tail.

Warned next not to get too close to a colt in the barn, he paid no attention. The colt kicked him out of the stall. Brown left for the city by nightfall.

SUB-COMMITTEE FAVORS M'COLLOCH

Washington, Aug. 13 (AP)—A senate judiciary subcommittee recommended today confirmation of Claude McCulloch of Portland, Ore., as federal district judge for Oregon.

McCulloch, state democratic chairman, will succeed the late Judge John McNary, if finally confirmed.

McCulloch presented his qualifications to the subcommittee at a hearing today after receiving the endorsement of Senator James P. Pope of Idaho who said the Oregonian was well fitted for and deserving of the appointment.

Full committee action is expected Monday.

Choppy River Adds to Thrills of West Salem Water Regatta Events

West Salem, Aug. 13—Preliminary swimming races and Timber, aquaplaneing dog, shared entertaining honors in last night's chapter of the first annual water regatta. A choppy river provided an additional handicap to both swimmers and dog but made performances the more noteworthy because of it.

Timber accomplished his heralded "rear handstand" on the aquaplane not only once, but several times. Boss Conger, not to be outdone by his charge, came through with some nifty handstands on the board to claim his share of applause.

Jean Emmons and Pearl Spears staged the closest race of the evening when Miss Emmons flashed over the finish line by the mere flicker of a fin in the 50-yard side-stroke for girls. Jerry Mulkey,

SILENCE VEILS PROGRESS OF SOVIET FLIERS

Nothing Heard for Six Hours with Plane Overdue at Fairbanks

Bucking Strong Headwinds Since Passage Of the North Pole

Fairbanks, Alaska, Aug. 13 (AP)—Silence today enveloped a four-motored Russian monoplane and its crew of six men known to be past the north pole and headed for a refueling stop on a flight to San Francisco or Oakland. For more than six hours the fliers have not acknowledged weather reports sent to them.

In Seattle, A. Vartanian, Soviet engineer in charge of sending weather reports to the plane, said he did not think the fliers had been forced down or crashed, however.

"The routine weather reports given out hourly by the army signal corps have not been acknowledged by the fliers," Vartanian said.

"We feel no apprehension over the lack of reports from the plane. It is quite possible that on the flight south from the pole they have been flying in a magnetic storm which would blanket their radio reception and broadcasting."

"During the second flight there were longer periods than six hours when we heard no word from the plane."

"I don't think—and hope they haven't—been forced down or crashed on the Arctic tundra."

Fairbanks, Alaska, Aug. 13 (AP)—Bucking a 60 mile headwind and (Concluded on page 11, column 3)

U. S. FLAGSHIP SENT SHANGHAI

Washington, Aug. 13 (AP)—The cruiser Augusta, flagship of the United States Asiatic fleet, is en route from Chefoo to Shanghai and was due to arrive at 9 p. m. EST.

The navy department announced today.

Aboard the Augusta is Admiral Harry E. Yarnell, commandant of the Asiatic fleet, who has wide discretion in the disposition of the vessels of his fleet in Asiatic waters.

The arrival of the Augusta will give him three American warships at Shanghai—the gunboat Sacramento, the Tultula, and the Augusta.

The remainder of the Asiatic fleet, in accordance with practice observed for the past quarter century, is distributed at strategic points along the China coast.

The Yangtze patrol, according to the latest information available on ship movements at the navy department was scattered along the Yangtze river from Hankow to Shanghai. The gunboats Luzon and Oahu were at Hankow, the Guam was at Nanking. The Panay was at Cheuking.

The Isabel was at Tsingtao; the Paul Jones and 10 other destroyers were at Chefoo; the Asheville at Hongkong and the Tulsa at Pagoda anchorage.

Altogether there are about 300 officers and 4,000 enlisted men aboard the American ships.

Dionne Quints Indulging in Hair Pulling

Callander, Ont., Aug. 13 (AP)—The Dionne quintuplets, little ladies that they are, have learned to pull hair.

And Dr. A. R. DaFoe disclosed today, they've been separated from each other all week as much as possible to eliminate suddenly developed outbursts of quarrelling.

The battles started last Monday when the little girls developed (Concluded on page 11, column 4)

FUND SCANDAL IN CLACKAMAS

Oregon City, Ore., Aug. 13 (AP)—Embezzlement of \$42,548.18 between 1925 and 1937 was revealed in a special audit of Clackamas county tax funds announced yesterday.

The 224 page auditor's report was prepared after Dave Palmblad, former tax deputy under Sheriff E. T. Mass, confessed misappropriating \$15,004 in tax collections.

County commissioners received the audit Tuesday, but withheld announcement of it until Sheriff Mass returned yesterday from a peace officers' convention at Oakland, Calif.

Members of the county court said they would turn the audit, together with an affidavit given by Palmblad, over to the grand jury. They said the documents would also be made the basis of claims against Sheriff Mass' bondsmen for shortages during his incumbency.

Some details of the secrecy in which Black's name was sent to the senate were brought out at the (Concluded on page 12, column 7)

FDR PROMISES COTTON LOANS

Washington, Aug. 13 (AP)—A senate delegation reported after a White House conference today that President Roosevelt had agreed to make immediate federal loans on cotton to farmers who pledged to comply with a surplus control program to be enacted next session.

Senator Bilbo, (D., Miss.), said a resolution putting congress on record to pass surplus control legislation early in 1938 would be taken up in the senate later today.

He said the president agreed to make loans which in effect would peg the price at 12 cents a pound. Bilbo added that the amount of the loan had not yet been determined but if it was 10 cents a pound the government would grant a subsidy of two cents. This is in line with the federal loan program of 1935.

Senator Ellender, (D., La.), said subsidies would be withheld until the farmers had actually complied with the "program to be enacted."

Others who called on the president were Senators Schwelmbach, (D., Wash.), and Thomas, (D., Okla.). Secretary Wallace also sat in.

Asked about wheat, corn and hogs, Bilbo said:

"I think the administration will give them the same consideration as it will give to cotton."

PROLONGED LABOR WAR IMPENDING

Portland, Aug. 13 (AP)—A fear of a prolonged labor war was expressed today by mill operators if the Portland local of the Lumber and Sawmill Workers' union accepts a CIO charter Saturday.

Morris H. Jones, chairman of an employers' group, warned the result may be an enforced shutdown of mills.

Saying the mills were in a "helpless and hopeless situation," he pointed out that cancellations of orders already had started to flow in from contractors who heard mills were going CIO and who feared that AFL teamsters would refuse to handle lumber from such plants.

Jones said mill closures would not be made unless friction developed between the rival labor groups.

GERMAN SEAPLANE LANDS AT HORTA

Horta, The Azores, Aug. 13 (AP)—The German seaplane Nordmeer reached here today to end the second leg of her maiden trans-Atlantic survey flight from Luebeck, Germany to New York.

The huge ship arrived at 4:30 p. m. (11:30 a. m. EST). Approximately six and one-half hours after the take-off from Lisbon, Portugal. From Horta, the Nordmeer will hop to Port Washington, N. Y.

NOMINATION OF BLACK OK'D BY COMMITTEE

Attorney General Gives President Opinion Upholding Legality

Roosevelt Says Only Black Knew in Advance of Nomination

Washington, Aug. 13 (AP)—Senate confirmation of the nomination of Sen. Hugo L. Black, to the supreme court today faced delay until next week when Chairman Henry F. Ashurst said he would not call a special meeting of the judiciary committee to act on the appointment.

It acted only minutes after President Roosevelt told a press conference Attorney General Cummings had informed him that it was perfectly legal and constitutional to appoint Black of Alabama to the supreme court.

The judiciary subcommittee of six members voted to report Black's nomination favorably, after rejecting a move by Senator Austin, (R., Va.), to hold up action pending study of legal questions involved.

All members of the subcommittee except Austin voted for approval of the nomination and rejection of the New Englander's proposal for delay.

Some details of the secrecy in which Black's name was sent to the senate were brought out at the (Concluded on page 12, column 7)

STAGE REVOLT IN PARAGUAY

Asuncion Paraguay, Aug. 13 (AP)—The Asuncion garrisons of the Paraguayan army and navy staged a bloodless revolt against the government today, seized the city and forced resignation of the cabinet.

The rebels, however, asked President Franco to retain the presidency and continue governing the country with a new cabinet.

Garrisons throughout the country were reportedly supporting the Asuncion rebels. Commandant Ramos, in charge of Asuncion's military forces, took charge of the city pending establishment of Franco's new government.

The interior ministry yesterday had issued a communique saying the government had adopted measures to prevent a "confused situation" on the part of a sector of regular troops in the north.

This communique was the first intimation of any trouble although rumors of rebellion had circulated for several days.

The communique said the entire country was calm.

The association of ex-combatants, consisting of veterans of the Chaco war with Bolivia, pledged its support to President Franco against "any eventuality."

Francisco, Paraguayan hero of the Chaco war, became president as a result of a coup against the then established government.

'WHUPPED' 3 SONS BUT GOT BEAT-UP

Tulsa, Okla., Aug. 13 (AP)—Leon Terry, 38 year old farmer wasn't able to "whup" his three sons so he brought charges against them in common pleas court to force them to work in his sorghum patch.

Today Terry had withdrawn his charges against George, Ira and Leroy, ranging in age from 23 to 28, and their two cousins. They were all placed under peace bond.

The farmer, in preferring charges, said his sons refused to help him harvest his crop and wouldn't allow him to hire anyone else unless he gave work to their two cousins. Terry said he couldn't afford it.

"I whupped all three once," the father said, "and they beat me up so I had to go to a hospital."

He said the boys started "behaving all right" after they were put under the peace bond and he offered to withdraw his charges and pay all court costs if they refrained from further "sit down."



"SURPRISES ARE BEST, SENATOR"—Sending in the name with a list of other nominations, President Roosevelt named Senator Hugo Black (right) of Alabama to the supreme court bench. It surprised his colleagues on Capitol Hill, but here's the vice-president, Charles McNary, offering his congratulations. (Associated Press Photo.)

DRIVE ON GAMBLING DEVICES SPREADING OVER ENTIRE STATE

With bans pronounced by the enforcement officers of nine Oregon counties and similar action promised by the prosecutors of four others as rapidly as temporary injunctions restraining them can be dissolved, the drive launched by the Capital Journal two years ago to rid Marion county of slot machines, pin-ball and marbles games and similar gambling devices is gradually spreading over the entire state.

Out of the Capital Journal's request for the appointment of Ralph E. Moody, assistant attorney general, as special prosecutor of a gambling investigation by the Marion county grand jury there has developed basic court decisions branding these contrivances as illegal, opening the way for district attorneys and sheriffs to banish them from all counties and an active public demand for their abolition.

The now-famous Crawford decision in the Campbell and Arnold cases, holding the machines illegal and any attempt of the legislature to provide for their licensing unconstitutional, was a direct outgrowth of the movement.

A few minutes later, gray-haired, soft-spoken Federal Judge Frederick H. Bryant pronounced sentence on Manning Stewell, 35, John Oley, 36, and Percy Geary, of Albany, and Charles Harrigan, 37, Thomas Dugan, 35, George Gargukilo, 31, John McGlone, 34, and Harold Crowley, 31, of New York City.

Two confessed participants in the crime Frank Fischer, 33, and Thomas Burk, 39, guards at the Hoboken, N.J., hideout where O'Connell was held prisoner for 23 days, today were sentenced to Lewisburg, Pa., penitentiary for terms of three years, and 49 months, respectively.

Stewell, "go-between" in the \$40,000 ransom negotiations that led to the release of the young national guard lieutenant and son of a politically prominent Albany family, was sentenced to 58 years and fined \$10,000 for conspiracy to use the mails and use of the mails to extort.

PINCHOT VISITS MCKENZIE Eugene, Aug. 13 (AP)—Forest service officials said Gifford Pinchot, former governor of Pennsylvania and forestry and conservation leader, would spend this week-end on the McKenzie river with a number of guests.

MASSSED WPA DUE AT 4 TODAY

A delegation of Portland and Salem WPA workers who have been forced off federal relief by the government's retrenchment policy will confer with Governor Martin at 4 p. m. today about getting jobs in private industry.

The governor will give them a list of 5,664 jobs, paying between \$2 and \$7 a day. About 2,000 have been forced off the WPA rolls in Oregon, with 10,400 still receiving federal assistance.

Governor Martin left this morning to inspect the proposed Canby irrigation project, which may be approved this fall by the federal bureau of reclamation. It already has received war department approval.

He said he would be back in time to meet the WPA delegation. Tomorrow he will go to Mount Angel to attend the second annual flax festival.

State-Wide Drive on Against Motorists Who Fail to Secure Licenses

Salem city police and the state police are doing effective work in a state-wide drive against motor vehicle operators who have failed to get their drivers' licenses. The drive, which netted several scores of arrests in Salem, began yesterday afternoon and is continuing today.

In police court the offenders who appeared in response to arrest tags were being fined \$5 each and in justice court \$5.50. Most were pleading guilty and paying immediate fines. A few got sentence deferred until they could get the money and a scant few received suspended fines on account of poverty, at recommendation of state police.

On the city police blotter appeared the following names of those who had neglected to get licenses: Alvin W. Barnica, 1980 Perry;

Vernon B. Van Cleave, route 6; Dorothy Aronson, Hubbard; Arthur H. Matherly, 425 Marion; Maxwell W. McKay, route 2; Mrs. Edna Tucker, 1070 Broadway; Theodore J. Patzer, 1781 Gregson; Merton C. Nichols, route 7; John Anderson, route 7; Barbara Earl, Royal Court apartments; O. H. Thompson, route 7; R. W. Adams, Portland; Stanley Koles, Portland; Leona Lawrence, 1830 North 17th; L. D. Selin, 172 Marion; Eleanor Schmidt, Mt. Angel; W. S. Ankeny, 2095 South Winter; M. L. Simmons, Molalla; J. R. Pollock, Woodburn; O. Umemo-

(Concluded on page 11, column 4)

BATTLE RAGES WATERFRONT'S 10 MILES WAY

Hostilities Flare Between Japs and Chinese from City to Woosung Forts

Municipal Wharfs Bombed—Flames Roar in Chinese Suburbs

Shanghai, Aug. 14 (Saturday) (AP)—Shellfire and flames left this city of 3,500,000 seemingly irretrievably doomed today to the principal role in 1937's bloody chapter of Sino-Japanese tragedy.

Hostilities between Japan's blue-jackets and China's army regulars flared from Shanghai proper all along the ten-mile way to the Woosung forts, where the city's busy Whangpoo river flows into the mighty Yangtze.

Casualties, though yet indefinite, were believed low, Japanese newsmen said they saw two Japanese bluejackets wounded by shrapnel.

On the Whangpoo, warships of the Japanese navy shelled Shanghai's giant municipal wharves—so the Japanese said, to drive from them Chinese soldiers who fired on a Japanese man o'war as she steamed toward Shanghai proper.

The Chinese fought back with cannon and machine gun.

The United States, her 1,050 marines on day and night patrol of Shanghai's international settlement, sent the flagship of her Asiatic fleet at forced draft from Tsingtao, to the north.

The heavy cruiser U.S.S. Augusta, the flagship, will help protect the 4,000 Americans here—most of them in the international areas just south of the scenes of battle.

Chinese field pieces and mountain guns smashed at the Japanese position (Concluded on page 11, column 4)

HULL AND SAITO DISCUSS CRISIS

Washington, Aug. 13 (AP)—Secretary of State Hull and Ambassador Hiroshi Saito, of Japan, discussed developments in the Japanese-Chinese conflict today in a conversation which Hull described as an ordinary exchange of "acute conditions" in the far east.

The secretary said there was no special discussion of a grave situation at the international settlement at Shanghai.

Commandants, guards, and other representatives of nations interested in the settlement are well experienced and have adequate knowledge to disturbed conditions, the secretary asserted.

He said these representative nations naturally were conferring methods of assuring safety to their nationals.

Asked if the United States expected to send reinforcements to the Philippine islands as it did during Sino-Japanese difficulties in 1931, the secretary said the question had not been considered so far.

In reply to a question whether the United States, Great Britain, and France would ask that the international settlement not be used as a base of operations by the two disputing countries, Hull said he knew of nothing new.

TAX LOOPHOLE BILL REPORTED

Washington, Aug. 13 (AP)—The house ways and means committee agreed today to report favorably an eight-point bill to close tax loopholes. Action came after two days of executive sessions.

The bill is designed to seal loopholes through which an estimated \$100,000,000 or more of revenue leaks annually.

It will be brought up in the house early next week. It is one of the major bills on which the leadership desires action before adjournment.

Only minor revisions were made in the recommendations of the senate-house tax avoidance investigating committee. Chairman Robert L. Doughton said that no members of the committee opposed the favorable report although 7 of the 25 committee members are republicans.