

Locals

Heavy rainfall just prior to the week-end caused a decided rise in the Willamette river here, with the 12 foot mark reached at noon today as compared with 10.3 feet for the same time Sunday. The river stood at 2.9 Saturday morning.

For Roofing, R. L. Ellstrom, 6550.

Robert Read, former president of the Salem high school student body now attending Reed college in Portland, will speak at the Kiwanis club luncheon Tuesday noon. Read recently returned from several months spent on Continental Europe and in England.

Mr. and Mrs. G. E. Davis and two children, of Salem, have rented the tenant house of Mrs. E. M. Bailey, at Hayesville. The Davis family recently came to Salem from Salt Lake City. Davis is employed by the Shell Oil company.

Schinas' foods, beverages, 370 State.

Townsend club No. 12 will meet at Wesley hall on Jefferson street Tuesday evening at 7:30. There will be a speaker, refreshments and a business meeting.

Christmas vacation at Sacred Heart academy begins Wednesday afternoon, December 22.

Bater M. Agnes of Bavaria, who died recently at the convent of the Sisters of the Holy Names at Maryhurst, was a former teacher of vocal and instrumental music at Sacred Heart academy. She also taught at The Dalles and at one time was located at Seattle.

Wet wash 3c lb., Thrift service 5c lb. Also full laundry serv. Ph 9450.

New Park Townsend club will meet Monday night in the basement of the Bush school building at 7:30 o'clock. A delegate to the Corvallis convention will be elected. The public is invited.

Townsend club No. 3 will hold its regular meeting Tuesday night at 8 o'clock in the basement of the Court Street Christian church.

Install perfected gas heat in your present furnace. Costs less than oil. Phone 7609 for details.

On the police blotter for traffic violations are the following: John W. Slocum, 430 Locust, for making a reverse turn; Sam Earle, Jr., 1923 North Commercial, for having defective headlights; C. F. Bascue, 2164 Maple, and B. F. Russell, 845 Hood, for failing to observe stop signs.

Rev. James G. Campbell, pastor of the First Evangelical church of Salem, will conduct the annual election of officers of the woman's missionary society at the home of Mrs. Louis Wampler in the Hazel Green district. Mrs. Lydia Scharf, president, will have charge of the program and Mrs. Lawrence Hammer will conduct the devotional services. The study hour will be under the direction of Mrs. Wampler. The society is an auxiliary branch of the missionary society of the Salem church.

Lumber & Bldg. materials. Compare our prices, see or ph. Linn Lumber Co., Lyons, Ore.

The underprivileged child committee of the Kiwanis club will hold a Christmas party for around 40 youngsters who otherwise would miss the holiday season, at the home of Dr. David B. Hill a week from this Wednesday.

Are your savings insured and earning 4%? See the Salem Federal.

Sunday trains on the Southern Pacific, held up by high water and washouts in California, were coming through today with the regular schedule of Monday train service being carried out. The Shasta, due here at 5:45 o'clock Sunday afternoon, arrived around 1 o'clock this afternoon. The Cascade limited, due at 10:52 o'clock Sunday morning, arrived early today. Train service from the north is on schedule.

Dr. Bruce R. Baxter, president of Willamette university, who was called to southern Oregon due to the death of a friend, will return to his desk Tuesday forenoon.

Give shrubs for Xmas. Knight Nursery, 1 1/2 blocks south of army on S. Liberty Street.

Townsend club No. 2 at its meeting this evening at the Leslie M. E. church on South Commercial street, will organize for an intensive membership drive to culminate January 10, at which time the club will elect new officers and install the same. J. H. Merryman is chairman of the membership committee and has set 80 new members as the goal. Fred J. Toose, Sr., is president of this

10 More Days to Buy Christmas Seals

GREETINGS
1937-1938

Did you know...
that early discovery of tuberculosis is necessary for early recovery?

Molalla Has Creeping Terrain

Molalla, Dec. 13 (AP)—Disappearing real estate in California and Idaho has nothing on Oregon's creeping terrain. Earl K. Nixon, state department of geology and mineral industries director, said today.

Geologist Ray C. Thresher, Nixon said, found a break on a mountain side near Molalla. Appearing almost simultaneously with the Buhl, Idaho, sinking ranch, it covered only a few feet.

It now is 100 feet long, 80 feet deep, and extends down the mountain 50 feet in a series of terraced steps.

The break was due to moisture saturated clay and substrate shifting on a dry, hard bed beneath, Thresher said.

AFL Boycotts All Canadian Lumber, Logs

Esquimaux, Dec. 13 (AP)—Selecting Vancouver, Wash., as the site for their 1938 convention, delegates to the Oregon-Washington council of lumber and sawmill workers' convention here adjourned Sunday night following day-long sessions which saw them take action on several important resolutions.

The convention adopted resolutions to place boycotts on all Canadian cedar products, all Canadian logs and on all Canadian, Japanese and Dutch plywood, decided to take action in cooperation with the carpenters union relative to placing a union label on all AFL manufactured lumber products, adopted a resolution opposing . . . "monthly wage practice," decided to leave the central offices of the union in Seattle and wound up a special evening session by deciding to memorialize congress in an effort to secure strict enforcement of the 1930 tariff act, which calls for the marking of all imported "foreign" lumber.

During the morning session the convention approved a report of the executive committee, for release to the public, on why the delegates refused to accept the "Robinson peace proposal" aimed to bring the CIO and AFL lumber workers into better cooperation and thus end labor strife in the northwest.

The convention explained their stand on the proposal was based on the belief that "the Robinson plan would tend to aggravate and prolong, rather than solve, the difficulties now existent in Portland."

Suspensions by Liquor Board

Portland, Dec. 13 (AP)—The liquor control commission made the following suspensions:

John W. Nelson, Malin's, Klamath Falls, ten days, sale of beer to intoxicated persons; P. W. Buckman, Three Trees Inn, route 2, Eugene, five days, consumption of beer on premises by a minor; J. R. Hershberger, Hershberger's Cafe, Klamath Falls, five days, sale to intoxicated persons.

The commission denied a license application from the Dreamland dance hall, Ashland highway, four miles west of Klamath Falls.

Popeye's Creator Ill
Hollywood, Dec. 13 (AP)—E. G. Sezar, cartoonist who draws "Popeye the Sailor" for newspapers and the movies, was in serious condition today in a Santa Monica hospital.

Acting as a justice of the peace, Police Judge A. Warren Jones today bound over to the grand jury Wayne Kimple and Merle Oscar Bayshore, who are charged with forgery. On arraignment before Jones the two pleaded guilty at a preliminary proceeding. Neither was able to furnish the \$500 bail required and both were committed to the county jail pending further proceedings.

Russell Bright wishes his friends to know that he is again with the Imperial Furniture company. 296.

Customers of Oregon utilities have received \$835,570 in rate reductions from April, 1935, to November, 1937. Governor Martin said today in a letter complimenting Public Utilities Commissioner N. G. Wallace "for the very fine study of electrical energy production and use in the state titled 'Statistical Report—Oregon Electric Utilities—1930-1936.'"

Two little girls at the home of Coach and Mrs. R. S. Keene have lost a companion and are wondering when he will return. The companion is a six months' old dark red cocker spaniel dog, answering to the name of Keene. The two little girls in question will be grateful for information concerning the whereabouts of their playmate.

Pre-Christmas gifts in the nature of 600 jobs will be handed out Tuesday by the management of the Oregon Pulp and Paper company. Following a shut-down of some two weeks, the plant will re-open tomorrow on a three shift basis. Whether operations will be constant from now on, company officials declined to predict. However, they are hopeful market conditions will improve sufficiently to permit continuous employment of three full shifts.

A fire occurred shortly before 10 o'clock last night at the Capital hotel, State and Commercial streets. Damage was not great.

The Dads' club, an organization of men who have children attending Salem senior high school, is sponsoring a banquet for members of the high school football team Wednesday evening. The banquet will take place in the cafeteria of the high school building. Tom Hill is president of the club. The football team was undefeated in competition against Oregon teams, but lost its first game of the season to Coast Wash.

Lindbergh Leaves—Col. Charles A. Lindbergh is pictured as he left the Carnegie Institution in Washington, D. C., after spending a day there at the exhibition and lectures. (Associated Press Photo.)

3 American Tankers Also Destroyed

(Continued from page 1)

other Americans—not included in the 61—were believed to be safe ashore.

Aboard the three Standard Oil vessels, of which two were burned and the third beached, were believed to be four Americans, including the captain of one ship, two Europeans and Chinese crews totalling 81 men.

(These figures indicate there was a total of 159 persons aboard the four ships, 72 on the Panay and 87 on the Standard Oil vessels, although those totals are not absolutely certain. Sixty-four of the former and only one of the latter are accounted for, but there is no reason to believe the other 94 persons, most of them Chinese, were lost, although a Shanghai dispatch to the New York office of the Standard-Vacuum Oil company said:

"Survivors reported to be only 54 out of 150 on board.")

Just before the bombing Sunday afternoon, said reports via Hankow, a Japanese military party visited the Panay.

Japanese officers, accompanied by troops, boarded the gunboat at 11 a.m. and asked destination of the gunboat—carrying refugees from Nanking.

While the boarding party conferred with the Panay officers, the Hankow reports said, other Japanese troops swung alongside in sampans, with rifles trained on the Panay.

The aerial bombardment, for which the Japanese navy accepted full responsibility, began at 1:30 p.m. Sunday. It was a "terrible mistake," the Japanese naval attaché said in Shanghai said in offering "profoundest apology."

The Panay and Standard Oil ships were chased by shore on the north bank, the British gunboat Bee radioed.

The Panay was attacked first, suffering direct hits in the bow. She sank quickly, bow first, with the crew abandoning ship.

Japanese then attacked three Standard Oil craft, scoring hits on all.

Japanese troops lined the shore to watch as the second attack began, the Bee radioed.

The navy's spokesman expressed "profoundest regret" for the "terrible mistake."

Other high Japanese officials tendered deep apologies. A Japanese warship and airplane sped to aid the Panay survivors. The Bee was at the scene of the sinking; the United States gunboat Oahu was steaming under forced draft from Kiangling.

In the international tension over the Panay, a Japanese army announcement of its capture of Nanking claimed secondary interest.

The Bee, which arrived off Hobeien last night, radioed to the United States flagship August here that she had picked up Pickering and the following seven seamen:

Petty Officer Vernon Fate Puckett, Kerens, Texas; Machinist's Mate William T. Hoyle, Balsom, N. C.; Gunner's Mate John A. Bonkoski of Conshohocken, Pa.; Engineer's Mate Raymond L. Browning, Los Angeles, Calif.; Chief Pharmacist's Mate Thomas Allen Coleman, Lisbon, La.; Gunner's Mate Joseph Anthony Granes, Rochester, N. Y.; Seaman John A. Dirmhofer, Syracuse, N. Y.

The Bee's message gave no details of the rescue.

Pickering, Puckett and Hoyle were picked up first. The Bee reported seeing about 12 occidentals on the river bank a mile and a half from the point of their rescue. It was believed these may have been Panay survivors, which would further reduce possible fatalities. (There was no indication as to whether the five rescued later belonged to this group.)

The Bee's message said it was understood James Marshall, writer from Seattle and Chicago, and Fireman John L. Hodge, Siluria, Ala., of the Panay's crew, were safe ashore trying to reach Wuhu, 25 miles south of Honan, by land.

The message said Japanese military officers in the vicinity had been asked to look for and aid the pair.

The Bee further reported P. H. Vines, Roanoke, Va., safe ashore and en route to Wuhu. However, the British American Tobacco company, by which Vines was employed, reported it had received a message from Vines at Wuhu, leading to belief he had reached Wuhu before the bombing. Vines' telegram said J. W. Parsons, Winston Salem, N. C., another B.A.T. employee, was at Wuhu with him.

New York, Dec. 13 (AP)—Eighteen Japanese bombers and pursuit planes took part in the attack on the United States gunboat Panay and three American tankers, the Standard Oil company was informed today by cable from Shanghai.

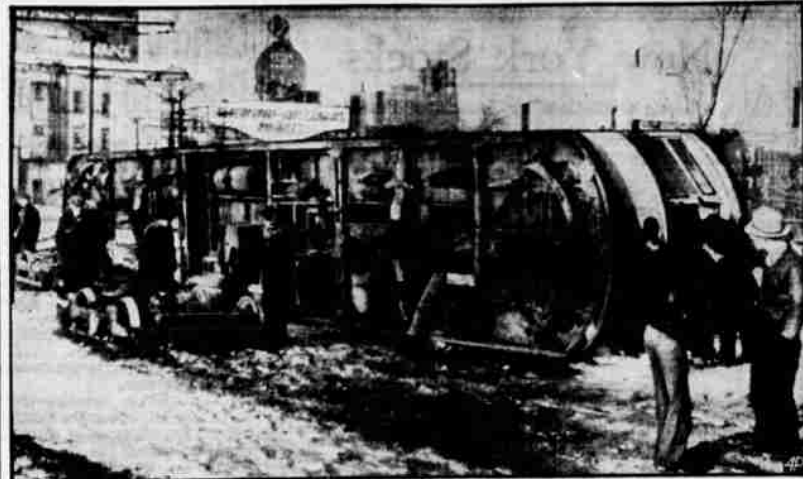
(In Shanghai Rear Admiral Tadao Honda, Japanese naval attaché, said only three naval aircraft attacked the river boats.)

The message said the Panay and the tankers Meiting, Melahia and Meian were proceeding slowly up the Yangtze early Sunday afternoon when the planes launched their attack, 27 miles above Nanking.

The Panay sank. The Meian was beached and deserted, the cable said, and the Melahia and Meiting were left burning at a wharf.

The cablegram sent by A. C. Cornish, who was not identified by the company, said the Standard Oil men on board included J. C. Pickering, J. B. Sherwood, P. Mander Plasmira Carlsom, Jorgensen, D. S. Goldie, and some fifteen members of the staff from Boonhow, Chinkiang, Nanking, and Wuhu.

Pickering was reported picked up by the British gunboat Bee.



Street Car Runs Wild, Fifteen Injured—This street car ran wild down a Cleveland, O., hill and the cab snapped from the wheels and toppled on its side, injuring 15 persons. The car was crowded with passengers. (Associated Press Photo.)

Sloan Starts Move to Study Basic Truths

New York, Dec. 13 (AP)—One of America's wealthiest industrialists, Alfred P. Sloan, Jr., chairman of the General Motors Corporation, today "turned back" \$10,000,000 in personal profits to advance "the interests of the community at large" and to promote a wider knowledge of "basic economic truths."

Almost unprecedented in its specificity stated action of "turning back" privately-earned wealth to what he described as the general welfare of the masses, Sloan's gift will be distributed through the Alfred P. Sloan Foundation.

The noted capitalist emphasized that the donation was "entirely a personal matter" having "nothing whatsoever to do with General Motors Corporation or my official relationship with same."

Sloan, who rose from the position of draftsman in the Hyatt Roller Bearing company of Newark, N. J., to chairmanship of the plant automobile company of General Motors, said the fund would be used to achieve "more things for more people, everywhere."

The 63-year old industrialist said in announcing the donation:

"While down through the years many successful men and women of America have contributed in the aggregate large sums for the benefit of those less fortunate, very little has been specifically directed toward the cause of economic education—undoubtedly due to the fact that the importance of that problem has only recently become generally recognized as one in which everyone is so individually concerned."

"Having been connected with industry during my entire life, it seems eminently proper that it should turn back, in part, the proceeds of that activity in the hope of promoting a broader as well as a better understanding of the economic principles and national policies which have characterized American enterprise down through the years, and as a result of which its truly marvelous development has been made possible."

Bend, Dec. 13 (AP)—Bend was known as Farewell Bend when Mrs. Charles E. Erickson, 82, who died Saturday, came here from Foster over the Santiam Pass. Her husband was Portland's first city electrician.

The Standard Oil offices said the tankers were owned by the Standard-Vacuum company and were designed for Chinese river transportation.

The company said it had no information about the officers and crews of the ships.

Three naval aircraft participated in the attack, Admiral Honda said.

"The flares returned, proudly reporting achievement of the bombing of this concentration of ships," he continued. "But the feeling of accomplishment turned to regret and sadness when they learned their mistake."

The Japanese navy, he said, was preparing to punish those responsible for attacking the American craft "identity of the flares naturally being known. Action will be taken after investigation."

Japanese, however, pleaded ignorance of most of the details of the attacks.

"The flares didn't notice what happened after they observed their bombs found their objectives," it was claimed.

Admiral Honda explained that the flares were aware American and other foreign craft were "somewhere in the vicinity above Nanking" but were not aware of the specific location of the Panay and the others.

"The attack occurred at 1:30 p.m. Sunday (12:30 a.m. Saturday)" the Japanese admiral related. "At 10 a.m. Monday, United States naval officials in Shanghai requested the Japanese navy to search for the Panay, giving us the location where they thought the gunboat was located. We examined the records of yesterday's air raids and found with dismay that while the Panay and the Standard Oil craft were located coincided with the scene of the air attack. We quickly concluded they were the mistaken objects of our bombs."

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Continuation of— Piano Bids

—from page 1

higher than a similar Erwin bid on a piano contract to another school. Erwin said "You don't know anything about my business."

Petri said the students at the college pay rental for the pianos, so that the taxpayers' money was not involved.

The board also received an education in pumps when representatives of five firms told the board why each should have its pump installed at the state hospital. The board accepted the recommendation of its hospital engineer and awarded the \$968 contract to M. Donald Spencer, Portland.

Hart Explains Railroad Crisis

The railway situation in general today is critical and in some instances desperate with the only hope an immediate increase in revenue and a restraint upon constant increase in operating expenses, Charles A. Hart, general attorney for the S. P. & S. railroad, told the Chamber of Commerce today noon.

He spoke in place of Alfred A. Hampton, general attorney for the Southern Pacific, who was unable to keep his appointment because of delayed rail service from the south due to heavy rains in California.

Wages for railway employees are out of line today and this situation must be recognized by the various brotherhoods in order that the financial situation be less burdensome, he said. Such restrictions as the proposed 70 car train bill mean the difference between operating and bankruptcy, Hart declared.

The problem, he said, is a public one. With regulation of competing motor transportation along the line imposed upon railroads, the situation has improved to some extent. Rate cutting has been eliminated for truck and bus operators and shipments can no longer be accepted at less than published tariffs, under penalty of criminal prosecution.

Ups and downs of the railroads in the past two decades were touched upon. Typical troubles were exemplified by the Oregon Electric, a subsidiary of the S. P. & S., which Hart maintained, will continue as a freight line. Some of the larger systems, with sound financial setups, as demonstrated by the Southern Pacific, have managed to keep in operation.

Name Printed in Coat
The Dalles, Dec. 13 (AP)—Tom Merrick was believed the name of an unidentified youth who died of exposure and under-nourishment at Towana, state police said Saturday. The name was found printed inside his coat.

Government control of the hide, skin and leather industry of Italy has developed into the form of private operation under strike government supervision.

Apparently culmination of a romance of the sky ways is a marriage license issued here today to John Sylvanus, 24, dispatcher for the U. S. air lines and Elizabeth June Proctor, 24, stewardess also for the U. S. airlines. Both reside in Portland. Another license was issued to Emory J. Jones, 21, carpenter, Hubbard, and Irene L. Jones, 19, housekeeper, Woodburn.

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J. DALE TAYLOR

who has been associated in the undertaking business in Salem for the past seventeen years, is now a member of our personnel.

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Court Upholds Gold Program Of New Deal

(Continued from page 1)

George Sutherland concurring in a vigorous dissent written by Justice James C. McReynolds.

Justices Hugo F. Black and Harlan F. Stone, agreeing with the majority decision, each wrote separate concurring opinions.

The decision was presented in response to two suits brought by Robert A. Taft, Cincinnati attorney and son of the late president and Chief Justice William Howard Taft, and another suit filed by H. Vernon Eney, 29-year-old Baltimore attorney.

The opinion was written by Justice Benjamin N. Cardozo. It was read by Chief Justice Charles Evans Hughes because Cardozo is confined to his home by an attack of grippe.

The ruling was regarded as clearing the way for further savings to the government in interest of the public debt.

The decision held that regardless of "validity or invalidity of the whole or any part of the legislation of recent years devaluing the dollar, the maturity of the bonds in the suit was accelerated by valid notice."

"As a consequence," it said, "of such acceleration the right to interest has gone."

House Debates Wage-Hour Bill

Washington, Dec. 13 (AP)—The administration's wage-hour bill was warmly praised and roundly denounced today as the house strove to push it to passage by mid-week.

Chairman Norton (D-N.J.), rising first in his behalf, told her colleagues the measure was designed to aid employees lacking the protection of collective bargaining agreements. She predicted its enactment would "eventually decrease unemployment."

Speaking for the opposition Rep. Dies (D-Tex.) condemned the legislation as "ill-prepared and half-baked," and roared that it was "designed to humbug labor."

While the house debate continued, the senate's consideration of the farm bill was interrupted by demands that American naval craft be withdrawn from China. The demands were prompted by the sinking of the gunboat Panay.

Turning to one of the most controversial points in the wage-hour bill—an amendment which would place a single administrator in the labor department in charge of the proposed law—Mrs. Norton told the house this change was designed to meet criticism not only from members of congress but from organized labor, industry and the general public, to proposed administration of the act by a five-member independent board.

Marshall Coast Newspaper Man

Seattle, Dec. 13 (AP)—James Marshall, reported aboard the U. S. gunboat Panay when she was sunk in the Yangtze in China by Japanese air bombs, was a well-known Pacific northwest newspaperman.

Marshall, far eastern correspondent for Collier's Weekly since January, 1935, was a Seattle Star columnist for many years and also was employed on the Spokane Press at one time.

Marshall and his wife, Peggy, have continued to maintain a home in Seattle even though his station was in the Orient.

Roy Squires, who attended the University of Washington from 1927 to 1931 and played varsity football, also was reported aboard the Panay. He was the son of American residents of China. He had spent most of his life in the Orient and returned there after being graduated from the university.



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