



First in News Photos

With the Associated Press exclusive Tele-Mat service, the Capital Journal is enabled to present photos of world events within a few hours of their occurrence.

Weather

Unsettled tonight and Tuesday with occasional light rains. Little change in temperature. Moderate southerly winds. Sunday: Max. 48, min. 40.4. River 5.9 feet. Rain 21 in. Southeast wind. Cloudy.

50th Year, No. 44

Entered as second class matter at Salem, Oregon

Salem, Oregon, Monday, February 21, 1938

2

Price Three Cents

On Trains and News Stands—Five Cents

## Fuehrer Jars World with Threats of War

### Anglo-Italian Pact Looms

#### Head of PGE Offers Support To Bonneville

#### Move for Seven-County Utility District Considered Unsound

Cooperation by his company with the federal government in the distribution of power from Bonneville was pledged by Franklin T. Griffith, president of the Portland General Electric company, in an address today before the Salem Chamber of Commerce. He was unable to consider as sound, however, any of the arguments in favor of creation of the proposed Northwest Oregon Bonneville Public utility district of which the people of the greater part of seven counties are to vote on April 8. The counties are Clackamas, Washington, Yamhill, Polk, Columbia, Clatsop and Lincoln.

In its recent investigation of rates and rate structures," said Mr. Griffith, "the federal power commission reports that the lowest rates in the entire country prevail in Oregon, Washington and Idaho, and that Portland is one of the five cities of America having the lowest domestic rates. This is a fact of peace." (Concluded on page 4, column 3)

#### Seattle Voting On Mayoralty

Seattle, Feb. 21 (AP)—Seattle's almost 200,000 registered voters began their trek to voting booths this morning to climax a bitter campaign in the city primaries.

Two candidates for mayor will be named to contest in the March 8 run-off balloting. Mayor John F. Dore, candidate for re-election, and Lieut. Gov. Victor A. Meyers, dapper ex-band leader, took the spotlight by exchanging personal abuse as the campaign closed.

Dore is strongly backed by the powerful AFL Teamsters' union. He has publicly stated his allegiance to Dave Beck, northwest Teamsters' chief.

Matt Longshore, secretary of the CIO Longshoremen's and Warehousemen's union, spoke in favor of Meyers. Meyers, a member of the AFL Musicians' union for 21 years, has strong CIO support and in addition claims a large bloc of Commonwealth Federation, Workers' Alliance and WPA votes. There are nine candidates for mayor.

In all, thirty men and three women are listed on the ballot for mayor, councilmen, city comptroller and treasurer.

#### How-de-Do!

By Don Upjohn  
Sips for Supper

A quiet movement is being started to write in the name of Governor Martin on the ballot in the republican primary and from the number of republicans who are for him it might be possible he could grab off both the nominations. A lot worse things could happen to the state.

Dr. W. B. Morse and Mr. and Mrs. Pink Patterson who started south by motor two weeks ago for a vacation in Death Valley have now reached a point as close to their destination as Colton, Calif., and don't know yet when they'll get any farther. Floods, torrential rains and heavy snows have kept them bottled up in the Golden State where the climate is always supposed to be summer.

Salem folk who were at Mt. Hood yesterday had the distinguished honor of matching ski experting with none other than Gene Tunney, former heavyweight champion of the world, but reported by those returning as not even a featherweight ski champion. Little Miss Jeanette Weider who was essaying her first attempt at the slipping and sliding art said she spent a good deal of time on the same hill as the tremendous Mr. Tunney but was on her feet more than he. It seems that Gene was down a number of times. (Concluded on page 10, column 4)



Agree On Pact—Neville Chamberlain, (left), premier of Great Britain and Dino Grandi (right), Italian foreign minister.

### Eden Tells Reason For Resigning

London, Feb. 21 (U.P.)—Capt. Anthony Eden told a crowded, attentive House of Commons today that he had resigned as foreign secretary because he could not agree that Italy's attitude makes it advisable to hold a conference on better relations between Italy and Britain at present. Eden implied that he feels Italy and Germany are violating international agreements.

"We are in the presence of the progressive deterioration of respect for international obligations," he declared.

Before the house met, Prime Minister Neville Chamberlain, who split with Eden, talked with Ambassador Dino Grandi of Italy and was understood to have arranged for immediate conversations between the two countries, in which Britain would make concessions on Spain and recognize the Italian conquest of Ethiopia.

Eden, speaking earnestly and deliberately, told the house: "Recent months, recent weeks and even recent days have seen successive violations of international agreements and attempts to secure political decisions by forcible means. Agreements that are worthwhile are never made on the basis of threats."

(Concluded on page 10, column 3)

### FDR Scanning Hitler Reaction

Hyde Park, N. Y., Feb. 21 (AP)—President Roosevelt scanned world reaction to Adolf Hitler's "iron and steel" Reichstag address today as he continued study of international happenings and official reports on the domestic business situation.

For the most part, though, he devoted the third of his four-day respite from Washington conferences to rest and the companionship of the reunited Roosevelt family.

With the temperature down to 20 and several inches of snow on the ground, the chief executive, with his wife and mother, and James Roosevelt and his wife, drove to the family cottage at Val-Kill yesterday for lunch and an old-time get-together.

After several hours at the little white-frame house, they returned to the larger estate for a vestry meeting of old St. James Episcopal church. The president is senior warden and James is a vestryman.

### German and Italian Plans Told by Dodd

Washington, Feb. 21 (U.P.)—United States foreign policy, based primarily on low-tariff economies and "good neighbor" relationships but dominated just now by a big navy defense program, stands unchanged today.

Reichsfuehrer Adolf Hitler's re-statement of Nazi expansion aims should not, however, have surprised the state department in view of reports understood to have been submitted by William E. Dodd before he resigned as United States ambassador to Germany.

Dodd's appraisal of German aims became public today through a member of the house foreign affairs committee before which the former ambassador to Germany re-



### Negotiations To Be Started Immediately

#### Chamberlain Declares That to Rebuff Italy Might Mean War

London, Feb. 21 (AP)—Prime Minister Neville Chamberlain tonight won the endorsement of his own dominant conservative party for his bold abandonment of policy in favor of his own approach to accord with Italy and "general appeasement throughout Europe which will give us peace."

A largely attended meeting of conservative members of both houses of parliament gave unqualified support to the prime minister after he flatly told commonsense he was striking out on a new path to avoid war.

The opposition labor party announced, however, it would move a vote of censure against the government tomorrow.

London, Feb. 21 (AP)—Prime Minister Neville Chamberlain, in an amazing verbal struggle with his retiring foreign secretary, Anthony Eden, told a turbulent House of Commons today that Britain had agreed to start negotiations for a new Anglo-Italian understanding "immediately" in Rome.

Chamberlain declared that for Britain to rebuff Italy's desires for such conversations would bring relations to a point "at which ultimately war between us might become inevitable."

The prime minister accused Eden, whom critics charged he had sacrificed to satisfy Europe's dictators, of being "unfair," implying that he (Chamberlain) had succumbed to Italian "now or never" threats.

Frequently interrupted by jeers from noisy opposition members, who (Concluded on page 10, column 4)

### 4 Injured in Fire on Ship

San Francisco, Feb. 21 (AP)—Four firemen were injured, one seriously, when fire swept the forward hold of the British steamer Silverguyva at pier 23 early today.

The fire fighters were caught under heavy sacks of flour when the vessel suddenly listed from thousands of gallons of water poured into the hold. Lieutenant George Vian suffered a brain concussion. His condition was reported as serious, but not critical. Raymond Wornell suffered bruises and contusions.

Discovery of the fire was made by longshoremen unloading the vessel. Two alarms sent nearly a score of fire equipment to the scene, including a fireboat.

Customs agents were stationed around the ship during the fire. The ship's crew included 34 Chinese. Gunny sacks, hemp and flour were destroyed. The flour was loaded last week at Portland, Ore.

Silver-Java-Pacific line officials said principal damage was to the hemp and flour, and that the vessel would sail for San Pedro, Calif., probably Wednesday, after the damaged cargo was discharged. Foremen estimated the loss at about \$10,000.

### Russia Ignores Hitler's Harangue

Moscow, Feb. 21 (AP)—Chancellor Hitler's momentous speech to the German Reichstag was completely ignored in the government controlled Soviet Press today.

Newspapers failed to even mention it and officials refrained from comment.

The resignation of Great Britain's foreign secretary, Anthony Eden, was reported, but without comment.

### Anti-Lynching Filibuster Ends

Washington, Feb. 21 (AP)—The senate shelved its anti-lynching bill today to take up the \$250,000,000 emergency relief appropriation measure.

The action, taken on a motion by Democratic Leader Barkley of Kentucky, ended a filibuster which had consumed 29 days of this session.

Jubilant newsmen who had fought the measure said they regarded the senate's action as assurance the bill would not be brought up again this session.

Before the vote, proponents of the bill, headed by Senator Wagner (D-N.Y.), had sought unsuccessfully to amend the motion so as to provide for later consideration of the bill.

The relief measure, previously passed by the house, is designed to increase WPA rolls to a total of 2,500,000 persons.

In asking that the anti-lynching bill be laid aside, Barkley explained that there appeared to him to be no chance of obtaining unanimous consent to limit the anti-lynching debate and said he had done "all I could" to get a vote on it.

He noted, also, that two motions to invoke cloture, limiting each senator's argument to one hour, had been defeated.

The vote on laying the bill aside was 58 to 22.

### Davis Court Unit Destroyed by Fire

Turner, Or., Feb. 21—Fire of unknown origin completely destroyed one of the six units of the Cornelia Davis court of the Turner Memorial home shortly after 2 o'clock this morning. The dwelling, occupied by Mr. and Mrs. J. B. Kendall, was erected about two years ago at a cost of \$1300.

Mrs. Kendall, who was ill, was carried from the burning building and is now at the Turner Memorial home. Kendall, slightly burned, is in a Salem hospital. Both are elderly people. No contents were saved from the building.

Insurance amounted to \$850. The board of trustees of the Memorial home will meet Tuesday night to discuss plans for rebuilding.

### Middle Road Policy for Business Men

#### State Association Hears Racketeering Methods Of Labor Denounced

The task of formulating a "middle-of-the-road" labor policy today faced leaders of the Oregon Merchants' Association convention, which opened this morning at the Marion hotel with a bitter attack launched against alleged "racketeering" methods used by union organizers in this state.

Spokesmen for the conservative element were working toward a "fair" statement of policy in regard to union labor.

Daniel Hay, acting state manager of the association, called attention to the fact that labor disputes daily grow more frequent, more bitter, therefore more menacing to industrial peace. To deal effectively with labor problems becomes more important as it becomes more difficult. To resist the labor movement, even if it were advisable, is too deeply rooted in our industrial soil to be dislodged by hostile efforts to denounce and perhaps misrepresent it will neither check its progress or abate its vigor.

On the other hand, business can not justly claim to be virtuous. The charge of unfair labor practice is not always wholly unfounded. If selfish greed may be laid at labor's door, business may have to accept a (Concluded on page 8, column 4)

### Vienna Jews Fear Program

Vienna, Feb. 21 (U.P.)—Panic spread among Vienna Jews today as Nazi and anti-Nazi clashed in front of the university.

Numerous wealthy Jews made arrangements to leave the country, seeking temporary refuge. Some Jewish real estate owners began hastily trying to sell properties.

Nations of the Danubian basin alternated between hope and fear as to their own position under Europe's diplomatic new deal.

The first real clash here between Nazis and non-Nazis was of potentially serious character.

At first there were minor fights. Police sought to disperse the students then outsiders joined Nazi students and girl students joined with boys. Shouting as they went into the university, they took possession and began shouting:

"Jidaj, jump the twig!—Go hang yourselves. When Jewish blood drips from our knives everything will go well!"

Police were hard pressed. They contented themselves, for a time, with keeping traffic moving and separating such clashing groups as they could reach.

### Mann Says Austria Salvation for Hitler

New York, Feb. 21 (AP)—Dr. Thomas Mann, exiled German author, said today on his arrival from Europe the Nazi victory in Austria was "salvation" for Reichsfuehrer Hitler.

"For Hitler," said the Nobel prize winner, "Austria was the last opportunity. Austria was the Ethiopia of Hitler. It was his salvation and he needed the victory at the time, just as Mussolini needed the victory in Ethiopia."

As for a comparison of Nazism and communism, Dr. Mann said: "Both are children of the same epoch. Nazism is a certain form of bolshevism. It is pure bolshevism in its economic relations. The German capitalists are not happy. They say that the only difference between the Soviet union and Germany is that 'Russia is colder.'"

### Salem Typos Vote For C. M. Baker

The vote of the Capital Typographical union No. 210, of Salem, was cast yesterday in favor of C. M. Baker of San Francisco for the presidency of the International Typographical union. Baker received 28 votes to four cast for the incumbent, Charles P. Howard of Chicago.

The vote was taken at a meeting called at Salem Labor temple.

### Schaeffer Held To Grand Jury

#### Former Teamster Official Accused of Assault and Battery for Attack on Salem Brewery Pickets—Witness Describes Fracas Implicating Others

After a preliminary hearing in justice court today Leonard Schaeffer of Salem, charged with assault and battery in connection with an attack on pickets at the Salem Brewery last month, was bound over to the grand jury. His bail was continued at \$500 which he has furnished. The part that A. N. Banks and Clarence Adams allegedly had in the trouble was told by Fred R. Russell.

The arrest of Schaeffer by the state police was one of the long series of arrests in Portland, Salem and other Oregon cities recently involving labor war offenses that include assault and battery, window breaking, truck bombing and arson.

All witnesses in Schaeffer's hearing today were called by the state.

Rudy Butte, who was changing his picket shift with Albert Lieske when the trouble started at the brewery, testified that Schaeffer was first to approach the picket line, that he signalled others to (Concluded on page 11, column 1)

### More Alleged Goons in Toils

Portland, Ore., Feb. 21 (U.P.)—Arrest in Eugene of Jack Lyons, organizer for the retail clerks' union, who has been sought by authorities for some time for questioning regarding labor goon activities, highlighted today's activities in the police war against terrorists.

State police were returning Lyons here for questioning.

Also on the goon list today was Jack Estabrook, secretary of the warehousemen's union and so-called "lieutenant" of Al Rosser, teamster boss held in jail in Dallas on an arson indictment.

Police said Estabrook was implicated in confessions of other goons in at least one bombing in the 1935 beer war. He was booked as a fugitive from Washington county and was held without bail for questioning by the district attorney.

Al Johnson, official of the garage and service station men's union, voluntarily surrendered, and was held for questioning.

Rosser was said to have been further implicated in the beer bombing in 1935 in a confession assertedly made Sunday at Stevenson, Wash., by Jake Minsky, teamster, held for the attempted bombing of a truck there. Minsky's confession, police said, substantiated one made Saturday by James R. Scott, business agent of the warehousemen's union, that all bombings at that time were "ok'd" by Rosser before they were committed.

### China Protests Hitler's Remarks

Hankow, Feb. 21 (AP)—The Chinese government strongly protested today against German recognition of Manchoukuo, the Japanese-dominated state carved out of China's Manchurian provinces in 1931-33.

The government especially resented Reichsfuehrer Hitler's remark that the Chinese were unfit mentally to resist any Bolshevik attack on them and that a Japanese victory in the far east would be better than a Bolshevik victory.

### Re-Indictments for Salem Mill Fire

Dallas, Feb. 21—Arraigned before Circuit Judge Arlie G. Walker early this afternoon Al Rosser, Portland, secretary of the Teamsters' union, and Leslie "Slim" Henry, business agent for the Salem Building Trades council, asked for further time in which to enter pleas to indictments returned by the grand jury earlier in the day. Rosser was indicted for arson and Henry for attempting to compel a person to join a labor union. James E. Baker and Maurice Farrell, both charged with grand larceny, entered pleas of guilty but no time for passing sentence was set by the court pending physical examination of Farrell.

The original indictment against Henry was dismissed for lack of sufficient evidence to justify prosecution. Henry's bail was reduced from \$50,000 to \$1000 and his attorneys were making efforts to raise that amount today.

The Rosser and Adams indictments were combined in order to enable the state to try the charges against them at one time and save the state the expense of separate trials, according to District Attorney Adams.

Under the new indictments Judge Arlie G. Walker fixed bail for Rosser at \$100,000 and Adams at \$50,000, the same as they were being held under.

The original indictment against Henry was dismissed for lack of sufficient evidence to justify prosecution. Henry's bail was reduced from \$50,000 to \$1000 and his attorneys were making efforts to raise that amount today.

The Rosser and Adams indictments were combined in order to enable the state to try the charges against them at one time and save the state the expense of separate trials, according to District Attorney Adams.

Under the new indictments Judge Arlie G. Walker fixed bail for Rosser at \$100,000 and Adams at \$50,000, the same as they were being held under.

### Hitler Demands Restoration Of Colonies

#### Promises Interference in Danubian Nations and Defies World to Stop It

Berlin, Feb. 21 (AP)—Chancellor Adolf Hitler gave Europe's uneasy capitals no hint today of his next move as leader of a rearming Germany he declared was "entitled to equal rights" with other powers.

His momentous Reichstag speech yesterday demanding return of colonies Germany held before the World War and threatening possible armed force to protect German minorities on the Reich's borders failed to give the answer.

Europe's burning question, "What will Hitler do next?" resounded in foreign capitals with undiminished menace.

Anxiety grew in Prague, where Hitler's indirect reference to German minorities in Czechoslovakia was resented as challenging the sovereignty of that state, the home of some 3,000,000 pro-Nazi Germans.

In his three-hour Reichstag address, der fuehrer touched pointedly on most phases of the Reich's foreign policy.

He warned bordering nations with German minorities to quit "today" (Concluded on page 10, column 4)

### Fuehrer Speech Warns Czechs

Berlin, Feb. 21 (U.P.)—Adolf Hitler's declaration of Germany's intent to protect German minorities in other countries was interpreted in official circles today as a warning to Czechoslovakia to guard against any action which der fuehrer would consider a violation of the rights of minorities.

Although Hitler did not mention Czechoslovakia he left no doubt of his implication, and it was believed that he meant that in the future he will take more positive action if in his opinion the 3,500,000 Germans there are mistreated. Czechoslovakia borders Germany. Much of it lies in between Germany and Austria.

Official circles professed not to know whether the pronouncement presaged new activity by Czechoslovakian Germans. These quarters said they believed that individual cases of infringement against the German minorities would be treated separately.

Meanwhile Germans awaited overtures from Great Britain that would break the increasingly sharp division between the totalitarian and the democratic nations of Europe.

### Valley Project Report Completed

Washington, Feb. 21 (AP)—The board of army engineers disclosed today it had completed its report on the proposed \$55,000,000 Willamette valley, Oregon, flood control project. It declined, however, to discuss the nature of its findings.

"The report will be released by the secretary of war in due time," one board member explained.

### Novelties In the News

(By the Associated Press)  
Duly Informed

High Point, N. C.—Thieves who raided the chicken house of Sallie Heardon wanted to break the news gently.

They left a big-lettered sign on the building. "Your chickens are gone."

Bum Steer  
Tucson, Ariz.—Famed cowboy artist Jack Van Ryder is a leading candidate for the \$25 prize as the most unfortunate performer in the La Fiesta De Los Vaqueros rodeo. In the team tying contest, he missed his steer entirely.

Mail Goes Through  
Kansas City—Special delivery messenger Donald Sproh had just (Concluded on page 10, column 4)