

First in News Photos
With the Associated Press Telemat service the Capital Journal is enabled to present photos of world events within a few hours of their occurrence.

Capital Journal

Weather
Partly cloudy tonight and Thursday, probably with showers; little change in temperature; gentle variable wind. Tuesday: Max. 73, min. 47. No rain. River 3 ft. Northeast wind. Cloudy.

51st Year, No. 147

Entered as second class matter at Salem, Oregon

Salem, Oregon

Wednesday, June 21, 1939

Price Three Cents On Trains and News Stands—Five Cents

Richardson Views Shortage as a Mystery

Port of Swatow Easily Seized By Japanese

Way Cleared by Air Raids, Shelling; Tientsin Crisis Marks Time

(By the Associated Press)
Japan easily captured the Port of Swatow today, tightening her grasp on the South China coast, while in the north her issue with Britain at Tientsin apparently settled down to a drawn-out test of patience.

Dispatches from Swatow said 800 Japanese soldiers, their way cleared by air raids and a naval bombardment, reached the city during the morning and, encountering little resistance, continued inland.

Despite long preparations, Chinese failed to carry out the customary "scorched earth" destruction of the city of 178,000, 220 miles east of Canton. Anticipating the landing, more than half of the Chinese civilian population had fled.

Tientsin Crisis

Both Britain and Japan were waiting for the other to make the first peace overture in the eight-day-old Tientsin crisis.

British Prime Minister Chamberlain told the house of commons the British government did not "acquiesce" in the blockade and had made clear to Japan Britain would take necessary steps to assure adequate food supplies for her beleaguered subjects in the Tientsin concession.

In Tokyo, British Ambassador Sir Robert Leslie Craige called on Renzo Sawada, Japanese vice minister of foreign affairs, to urge discontinuance of alleged discriminations against Britons in Tientsin.

Women Removed

With 1,000 British women and children being removed from the beleaguered British concession at Tientsin, men in the besieged area expressed belief they would be better able to care for themselves. Japanese at Tientsin, however, declared that "London realizes Japan will call Britain's bluff" and held that only a general adjustment of British-Japanese relations could settle the issue.

At Singapore British and French military chiefs gathered for defense talks, possibly to consider naming a commander of their combined far eastern forces in the event of war.

Montana Oil Fight Revealed

Portland, Ore., June 21 (U.P.)—A vigorous competitive struggle between northern and southern Montana oil companies—in addition to their joint fight with major Pacific coast firms for northwest business—was revealed today at an interstate commerce commission hearing on petroleum freight rates.

Northern Montana independents at Shelby, Cutbank, Havre, Sunburst and other points are supporting the Great Northern railroad's effort to establish a rate of 30 cents per hundredweight on petroleum products into Spokane, Wash., and the inland empire.

This rate, however—now under suspension by the ICC—would not apply from southern Montana fields such as Billings and Laurel.

At today's session, a part of the ICC investigation of the entire petroleum rate structures in the Pacific northwest, southern Montana interests stated their case and advocated lower rates for themselves, too.

Another Step in Valley Project

Congress, according to press dispatches from Washington, today took one more step toward making \$5,000,000 available to start work on the Willamette valley flood control project by July when the house passed the civil works bill and sent it to the senate with only one minor amendment.

Senate concurrence and the signature of the president are expected without difficulty.

As passed by the house the bill includes \$500,000 with which to start work on relocation of the North Santiam highway around the Detroit dam site.



Lou Gehrig

Lou Gehrig's Baseball Days Probably Over

Mayo Experts Find Player Suffering from Chronic Infantile Paralysis

New York, June 21 (AP)—Ed Barrow, president of the New York Yankees, announced today Lou Gehrig is suffering from chronic infantile paralysis and probably will never play baseball again.

Barrow's statement came after Gehrig had turned over to him the formal report made by Mayo clinic experts. Gehrig had spent several days in the clinic in order to have a thorough check made of his physical condition.

The one time great first baseman had been worried about his condition all year. After making a bad showing in the field and at bat during the early part of the season, Gehrig voluntarily benched himself May 2, thus ending his consecutive games streak at 2,130 games.

Suffered 2 Years

He sat on the bench for several weeks but could not regain his strength. Finally, he decided to put himself in the hands of experts to determine just why he had lost his baseball form so suddenly. His trip to the clinic followed.

Barrow said Gehrig apparently had been suffering from the ailment for two years and only his remarkable physique had enabled him to play.

The veteran will be continued on the Yankee payroll for the rest of the season at least and will remain as non-playing team captain.

Can be Checked

Barrow said he understood from the physicians' reports the disease could be checked and in any event it probably would not get worse.

The Yankee leader obviously was broken up as he made the announcement. Gehrig long has been one of his favorite players.

Barrow said the first baseman would not play again this year but indicated there was an outside possibility he could return to the game eventually. Gehrig was 35 years old Monday.

"You have to take the bitter with the sweet," Gehrig said. "If this means the end of the trail for me I'll have to accept it."

Explains Disease

Chicago, June 21 (AP)—Dr. Morris Fishbein, editor of the Journal of the American Medical Association, made the following comment today on the diagnosis of the illness which has possibly ended Lou Gehrig's career as a baseball player.

"The diagnosis of chronic infantile paralysis used to describe a wasting of the muscles of the neck and upper parts of the body.

"It passed from general use when infantile paralysis was better known and segregated as a separate disease.

"The diagnosis of atrophic lateral sclerosis is a well established scientific diagnosis of a condition in which there is a hardening of the tissues in the spinal column and a wasting of the muscles dependent upon it."

Injury Fatal

Tillamook, June 21 (AP)—A gasoline truck toppled from a jack yesterday and fatally injured Frank Mott, 55, service station employee.

Neutrality Bill Up Wednesday

Washington, June 21 (AP)—The administration's neutrality proposals today were given a definite spot in senate committee proceedings but the date selected—next Wednesday—meant another week's delay.

Chairman Pittman (D-Nev.) said they would be made a special order of business for the foreign relations committee June 28.

His committee met today to consider the revision proposals, such as are carried in the house bill written by Rep. Bloom (D-N.Y.) but agreed to a delay. President Roosevelt asked yesterday that congress act on the bill this session.

Disputing those critics who have said the bill was an "un-neutral" measure which would not pass, Pittman expressed a belief the house would approve the Bloom bill. He added he intended to go ahead in the senate, in any event.

Opponents expressed doubt today it would reach the senate floor before adjournment despite President Roosevelt's request that congress act on it.

Senator Borah (R-Idaho) predicted after the house votes on the measure next week, congressional leaders might decide to postpone senate consideration until next session.

Senator Nye (R-N.D.) said he did not believe efforts to revise the present law would be carried to the length of keeping congress in session until late August, in the face of probable extensive debate.

Senator McNary Rapidly Recovering

Washington, June 21 (AP)—Senator McNary (R-Ore.), was reported by members of his staff today to be recovering rapidly from an attack of intestinal influenza.

They said the senator's physician had advised them McNary's fever had completely disappeared and he could probably be up and around next week, unless complications arose.

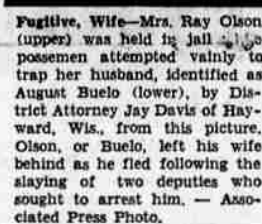
NLRB Rules to Permit Employers to Petition

Washington, June 21 (U.P.)—Charles Fahy, counsel for the National Labor Relations board, said today that the board has definitely approved a change in its rules to permit employers to petition it to conduct collective bargaining elections among their workers.

The change has been sought by businessmen, who contended that sometimes they could not determine what labor union they should bargain with. Pending proposals to amend the Wagner act include provision for the board to recognize employer petitions.

Fahy revealed the board's decision at a house labor committee hearing on amendments sponsored by the American Federation of Labor.

Joseph Padway, AFL counsel, said to the committee, "you are not going to get any change in the regulations, so on."



Fugitive, Wife—Mrs. Ray Olson (upper) was held in jail. She is seen with her husband, identified as August Buelo (lower), by District Attorney Jay Davis of Hayward, Wis., from this picture.

Olson, or Buelo, left his wife behind as he fled following the slaying of two deputies who sought to arrest him. — Associated Press Photo.

Germany Asks Consul's Recall

Berlin, June 21 (AP)—The German government announced today it had asked Great Britain to recall her consul-general at Vienna, Donald St. Clair Garner.

The request was made as a result of the British government's action in ousting Walther Reinhardt, German consul-general at Liverpool, who was accused of assisting an espionage agent.

A German government spokesman said sufficient "similar evidence" had been assembled against Garner to warrant the demand for his recall.

The official reason given for the German government's demand was that "during a court action it developed that the British consul-general in Vienna was involved in an affair concerning a forbidden information service."

No further explanation was given. Garner, 47, has held consular posts in Germany for 12 of the last 13 years. He assumed the Vienna post last year, shortly after Austria was annexed to Germany.

Garner took over conduct of British affairs in the former Austrian capital after the British legation there was closed. It fell to him to absorb the old legation in his new consulate-general. Previously he had been consul-general at Munich.

A German informant previously had said the request for recall of a British official would be a "tit for tat" measure.

Showers Forecast To Greet Summer

Portland, June 21 (AP)—The sun cleared the sky for the first time in days but an unconvinced weather bureau predicted clouds and showers tonight for the opening hours of summer.

When summer glows in at 11:40 p.m. there probably will be general cloudiness. The forecast, however, confined the rain chiefly to the northwest portion.

Portland's trace of rain yesterday was the only precipitation recorded at stations reporting to the government bureau. Temperatures rose to a maximum of 80 degrees at Medford and slipped to a minimum of 34 at Baker. Baker probably shined the honor but it tied with Butte, Mont., for the lowest temperature at the major points on the national weather chart.

White House Keeps Silence On Third Term

Senators Smathers, (N.J.) And Logan, (Ky.) Declare In Favor of Nomination

Washington, June 21 (AP)—Despite White House silence on the 1940 presidential race, two senate democrats today spoke for a third term for President Roosevelt if he wants it.

Senator Smathers, New Jersey democrat, predicted his state's 32 delegates to the party convention next year would back the president again. Senator Logan (D-Ky.) said while he hoped Mr. Roosevelt would not seek another term Logan would support him should he do so.

From the White House there was no inkling of what the president has in mind about 1940, however, and indications were that there would be none—at least until Mr. Roosevelt makes his west coast trip. Senator Smathers believes that Roosevelt, who carried New Jersey the last time by approximately a half million majority, "can again sweep the state in 1940."

Can be Elected

"They all believe," he declared in a statement, "that he will be drafted by the party to lead it to victory again next year."

President Roosevelt is the one democrat in the nation who can carry New York state in 1940, because he is the one democrat in the country that the progressive mayor of New York, LaGuardia, will support against Dewey or any other reactionary republican.

Logan prefaced his promise of support with a declaration of his view on the general question of a third term.

"I have always thought it unwise for anyone to run for a third term," Logan said. "That has always been my view and I haven't changed it. I hope the president will not run, but if he does, I will support him. I always support the democratic nominee."

"If the president does seek the democratic nomination, he will get it and be elected."

The chief executive made it plain at a press conference yesterday that he would have nothing to say about a third term now or in the near future.

In fact, he gave this indication on three separate occasions, despite his laughing replies to questions designed to draw him out on the political topic of the hour.

Thomas Pleads For Inflation

Washington, June 21 (AP)—Senator Thomas (D., Okla.), in schoolmaster style, told colleagues considering monetary matters today "no political party ever has succeeded itself on a falling price level."

"We are not out of the depression yet because the price level is too low," he said, in a chart-illustrated appeal for new currency expansion.

The bill under debate would extend the president's emergency monetary powers and the operation of the \$2,000,000,000 stabilization fund to 1941.

Thomas declared he was no "inflationist" and defined inflation as "the issuance of irredeemable paper money."

With Senator McCarran (D., Nev.), Thomas seeks to reduce the stabilization fund to \$500,000,000 and issue \$2,000,000,000 in new money backed by the remaining \$1,500,000,000 of the fund and \$500,000,000 of free treasury gold. They also would have the treasury raise its price for newly mined silver from 64.64 cents an ounce to \$1.05.

Thomas had the floor for a speech to last several hours. Prospects for enacting new relief, monetary and tax legislation by June 30, when many administration powers in these fields expire, meanwhile became increasingly uncertain.

Progress has been made in some directions, however.

Lions May Lease Boy Scout Camp

Washington, June 21 (AP)—A bill authorizing leasing without cost for 50 years public land near Junction City, Ore., to the Junction City Lions Club for use as a Boy Scout camp was introduced yesterday by Representative Mott (R-Ore.).



Ex-U. S. Judge To U. S. Prison—Martin T. Manton (2nd from left, wearing glasses), former judge of the United States Circuit Court of Appeals, is shown here in New York during a court recess on the day he was sentenced to two years in federal prison and fined \$10,000 following his conviction on conspiracy charges. A crowd of curious sightseers follows the former judge as he goes to lunch. His impassioned personal plea to the court before sentence was passed was ignored. — Associated Press Photo.

Nazi Troops Sent To "Limes" Forts

Paris, June 21 (U.P.)—Germany is moving the first units of a force of approximately 100,000 men into its "limes" fortifications opposite the French frontier, it was reported today. In addition, it was said, the crack Nazi "Condor legion" which fought in the Spanish civil war is to be installed at Sarrebruck, in the frontier zone, for special training.

Contractors' Request Denied

Several contractors protested to the board of control today against provisions in state contracts requiring them to take out workmen's insurance under the state industrial accident commission, but the board took the matter under advisement.

The contractors said they could get coverage through private insurance companies at a lower cost.

Gov. Charles A. Sprague said the attorney general ruled that the provision in the contracts was required by law. The governor added that the practice was long established and "it would be a bit arbitrary on our part to overturn this precedent."

State Treasurer Walter E. Pearson said, however, that "it is wrong to require contractors to have state compensation. The private insurance companies pay state taxes, while the state industrial accident commission does not. It is more arbitrary on our part to continue a policy which the legislature never intended. It is an injustice."

Secretary of State Earl Smeel, third board member, said he thought the legislature would have to amend the law before contractors could be insured by private companies.

Silverites Threaten Senate Filibuster

Washington, June 21 (U.P.)—The senate silver bloc today openly informed the administration that it will attempt to delay a vote on "must" monetary legislation in an effort to force the treasury to increase the purchase price for domestic silver.

Senator Majority Leader Alben W. Barkley said he had not decided what tactics to employ to break up the maneuver—a movement of filibuster aspects which threatened administration plans for fast senate action of monetary, relief and tax legislation.

Sportsmen Drive To Raise Fund

La Grande, Ore., June 21 (U.P.)—Backers of the Anthony Lakes sportsmen's lodge project today prepared for a final drive to raise \$2,500 still needed to complete a \$20,000 matching fund. When the subscribed total has been obtained, the federal government will supply \$135,000 for the lodge construction.

Deputy Denies He or Drager Took Any Money

Never Could Find Reason For Shortage But Admits Posting of "Cover-Ups"

Again under fire of cross examination throughout the morning today and facing another afternoon of it, W. Y. Richardson, former deputy county treasurer, not only emphatically denied taking any money from the treasury but also absolved his former superior, Treasurer Drager, as far as his knowledge went.

"There's just one man I know whether he took any money and that's me," declared Richardson during the course of the searching cross-examination by Prosecutor Marsh on the \$23,500 embezzlement charge. "And I've got a clear conscience. I know I wasn't taking that money and I couldn't find any place where I could accuse Mr. Drager of taking it. I asked Mr. Drager from time to time to help me find the reason for the shortage and he did help me all he could."

Posted Cover-ups

After Richardson had said he couldn't say whether the rolling of vouchers was the method of cover-up used all the time and each year, he did say that he did all the posting of the cover-ups and these, he said, "you'll find in my handwriting."

Prosecutor Marsh then attempted to get the defendant to participate as to how Richardson and Drager had gone about it to arrive at what vouchers should be used each year to make the cover-ups.

"How did you do it?" he asked. "Did you put it down on a piece of paper?"

Richardson said it was done in no particular way and he couldn't tell just who did one thing and who did another between him and Drager in making checks on the shortage and determining what vouchers should be used each year in the cover-up.

"Didn't your conscience tell you you were doing wrong?" Marsh asked the witness.

"I know I shouldn't do it," he answered. "But I knew it was the only way to do it. My conscience told me I wasn't taking any money."

"Didn't it worry you along in December when you had to make these changes to effect the cover-up?"

"It worried me to the extent I had to cover up. Yes, it worried me all the time," said the defendant.

Marsh attempted to pin the witness down as to appearance of monthly shortages and what appeared in the private memorandum books of the defendant to be a record of some of these, selecting a specific instance.

Padding Possible

"When you saw where a shortage of \$100, say, appeared in a single month, why couldn't you trace that shortage down for that month?" Marsh asked.

"Why couldn't I find the others?" was the response of the defendant. Marsh brought out the statement to the witness that there was usually around \$1000 to \$1500 in the treasury till and asked if it wouldn't be possible for someone to take the money from the till and cover his extraction by padding the list of warrants, which Richardson admitted could be done. Then the defendant, in answer to a question, said there would be no way of checking.

(Continued on page 3, column 7)

Japanese Vessels Moved from Fleet

Los Angeles, June 21 (AP)—The Times said today the navy had requested the harbor commission to see alien-flag vessels are not anchored where they might interfere with U. S. fleet operations.

Two incidents recently involved appearance of Japanese vessels near American warships. The motorship Akura Maru was reported boarded May 12 by a naval officer when it anchored a quarter of a mile off Long Beach breakwater in what amounted to a box seat for the return of the fleet from Atlantic maneuvers. June 12, the paper said, the naval tanker Shiriya was moved from a position near the navy repair ship Medusa to another location far from the fleet.

Tornadoes Add to Texas Flood Terrors

Lubbock, Tex., June 21 (AP)—Rain still beat a dangerous patter today in west Texas, a section beset by high water and tornadoes that left two dead, several injured, hundreds homeless and heavy damage. Locked in silence by impassable highways were several communities near here, battered by twisters last night that killed W. H. Jackson as he sat in his Uplake community farm home, 25 miles west of here. His wife was critically injured.

The Colorado river, which pushed down railway and highway bridges in a surge near Colorado City yesterday, receded at that point but spread out in wastelands on a down country surge after taking a man's life at Snyder.

Three sections of the Santa Fe railway bridge six miles northeast of Crowell washed out and three cars were swept off the Quanah highway

but none of the occupants was injured. Quanah worried through 4,224 inches of rain last night while Amarillo, struck by 3.98 inches, reported no damage with highways still open.

Carcasses of livestock and debris littered the highways out of Lubbock, making it hard to communicate with sections believed visited by last night's twisters. Communication lines were wrecked. Five persons were injured and at least half a dozen houses were leveled south of Shallowater, 12 miles northwest. A third windstorm damaged numerous outbuildings and residences in the Lingo, N. M., area.