

The Weather
Cloudy tonight and Saturday, with occasional light showers, slightly warmer tonight.
Temperature
Highest yesterday 62
Lowest this morning 49

Begin Thinking
Here it is Friday again. It is time to begin thinking about that Classified Ad. for the Sunday morning edition. Costs no more than week-day Ads. Closing time, 8 Saturday night.

CANTON BEGINS MASS EVACUATION

The Capital Parade

By Joseph Alsop and Robert Kintner
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TWO NON-ARYANS HELPED HITLER WIN AT MUNICH
MAX WARBURG AIDS GERMAN ECONOMIC CONJURING
PROPERTY OF HAMBURG BANKER THEN TAKEN
REICH'S AIR POWER CREDITED TECHNICAL ADVICE OF MILCH

WASHINGTON, Oct. 14.—The peace of Munich was signed two weeks ago and seems to be disintegrating already, yet its history still deserves a footnote. The facts of this particular footnote are so savagely ironic that they do not need the perfect pen of Edward Gibbon.

It is the story of two men whose work helped Hitler bluster his way to triumph. Ask yourself what were the essentials of his victory, and you will find it had two necessary elements. First, there was the long economic conjuring trick by which the Nazi state reared. And, second, there was the great air force which intimidated the democratic powers into ignoble compliance.

Who were the two men who performed the conjuring trick and built the air force? Surely the answer has a curious sound. Surely Warburg and Milch are not Aryan surnames. Yet Warburg and Milch are the men.

In the conjuring trick, of course, the devoted Dr. Hjalmar Horace Greeley Schacht was the directing force. He invented the fantastic new system of Nazi economy. Yet that system could never have survived without the extraordinary controls of foreign exchange by which the Nazi state gets goods from the outside world without bartering away all its inadequate resources. And it was Max Warburg, the banker of Hamburg, who was Schacht's chief adviser on foreign exchange until his

(Continued on Page Twelve)

FARM WAGE SAGS IN HARVEST TIME

WASHINGTON, Oct. 14.—(AP)—The bureau of agriculture economics reported today farm wage rates declined during the July-September harvesting season in contrast to the usual increase in this period.

The decline was attributed to a greater than usual decrease in demand for farm labor and a less than usual decrease in the supply.

The farm wage rate averaged \$24.01 a month, including board, on October 1, compared to \$24.57 on July 1, 1937.

Monthly rates decreased in all major geographic regions, but more noticeably in the Pacific, mountain, west north central and New England states, the bureau said.

Average wages with board, by states, included:

CIVILIANS FLEE CAPITAL IN FEAR: JAP ATTACK NEAR

Surrender by Tomorrow Or City Given 'Complete Bombing'—Both Sides Admit Losses.

HONGKONG, Oct. 14.—(AP)—The civilian population of the teeming South China coast started a mass exodus into the interior today in flight from heavy Japanese air raids and advancing ground forces of the invaders.

Unconfirmed Chinese dispatches from Canton said Waichow, immediate objective of the Japanese, was burning furiously after one of the heaviest air raids yet seen in south China. Casualties were estimated at 10,000.

Japanese warplanes were said to have flown over Canton, dropping leaflets demanding surrender of that metropolis by tomorrow under threat of "complete and thorough bombing."

Canton began mass evacuation of 400,000 women and children and prepared to send the provincial and municipal governments into the interior.

Refugees traveling by cars, trucks and on foot met thousands of Kwangsi province troops from the west marching to Canton to aid in defense of the city.

A Japanese force of 40,000 moved closer, capturing Tamshui, 12 miles from Blas bay, where it landed Wednesday. It was reported striking due west in a 20-mile drive to cut the important Canton-Kowloon railway at a point about 20 miles from the border of this British crown colony.

SHANGHAI, Oct. 14.—(AP)—Heavy losses were admitted by both sides today as the 484-day-old undeclared Chinese-Japanese war went over 850,000 square miles in 11 Chinese provinces.

Invaders from the sea smashed toward the Canton-Kowloon railroad in South China with the aim of severing vital communications systems which 15 months of frequent bombings had failed to cut.

More than 500 miles to the north, other Japanese columns, warships and bombing planes, redoubled efforts to pierce the ring of defenses around Hankow, the provisional capital.

Japanese warships shelled coastal towns and villages to create a diversion from Blas bay, near Hongkong, where an estimated 40,000 Japanese troops landed this week. The Chinese maintained other attempts to land Japanese troops near Swatow, about 200 miles east of Canton, were repulsed.

Bitter fighting raged in the Sinyang sector, on the Peiping-Hankow railroad 100 miles north of Hankow, where the defenders said they had recaptured Lujiuling and thereby blocked a projected Japanese drive down the railroad to Hankow.

Desperate battles were being fought around Yangsin, the barrier to a campaign against the Canton-Hankow line about 50 miles south of Hankow.

Warships assisted infantrymen in attacks on positions at the mouths of Tayeh and Weyuan lakes as preliminaries to assaults on Tayeh, 80 miles southeast of Hankow, where there are important iron mines.

The Chinese said their forces had recaptured 20 districts in northern Kiangsu province across the Yangtze from Shanghai during the past month and had inflicted 4000 Japanese casualties.

Canal Started

BEND, Oct. 14.—(AP)—CCC crews began stripping soil from the south end of a 60-mile canal this week to begin actual construction of central Oregon's \$8,000,000 north unit irrigation project.

Japs Invade South China



Attempting a giant pincer offensive against Hankow, the Japanese landed a new expeditionary force at Blas Bay in south China, under the protection of big navy guns for a thrust to cut off Canton from Hankow. Troops landed at Hachung and advanced inland (arrow on big map) toward the Canton-Hankow railroad, hoping to capture the line and the Canton river mouth and thus stop the flow of war supplies to Hankow via Canton. Inset map shows the drive against Hankow from the north and west (arrows); heavy black line, Japan's "front" line; Sinyang, where the Peiping-Hankow railroad was reported cut; and Changsha against which another drive was directed.

WALLACE DEFENDS FIENDS MISTREAT, 1938 AAA ACT IN PAINT VILENESS CORN BELT TALK UPON GIRL'S BODY

SPRINGFIELD, Ill., Oct. 14.—(AP)—Secretary of Agriculture Wallace urged corn belt farmers today to fight for the "best farm program agriculture ever had" and cautioned them to beware of substitutes offered with the sole purpose of destroying the present farm act.

Wallace told a meeting of farm leaders and AAA committee members, agricultural adjustment act of 1938, while not perfect, does represent a complete chapter of farm equality and is a charter of being improved with experience.

The secretary credited the farm act with preventing a big drop in farm cash income and farm buying power. The drop in income, he said, had been held to about 12 per cent of last year's total and the reduction of buying power to 9 per cent.

"In the face of a business situation in which factory employment and payrolls have been down over 30 per cent," he said, "to hold farm income so nearly steady is a real achievement."

Wallace praised farmers who cooperated under AAA saying: "You have done well to make your program pay so big a part in ending incipient depression, and in putting the country back on the road to prosperity."

Outstanding among substitutes suggested for the AAA, Wallace said, is price-fixing. He said the advocates of this substitute urge setting prices at cost of production, or parity or some higher figure and assert all the other about allotments, worksheets, compliance and payments could be eliminated. He made it clear he was not opposed to price-fixing in itself, but added any proposal a fixed price be paid on an unlimited quantity of goods was unsound.

LAST RITES FOR CAPT. APPLIGATE

KLAMATH FALLS, Oct. 14.—(AP)—Indians from the Klamath reservation joined scores of white residents in southern Oregon yesterday in funeral services for Captain Oliver Cromwell Appligate, 38, famous pioneer and veteran of the Modoc Indian war.

The muffled drums of the American Legion led a long funeral procession for the noted settler and his torian who died Tuesday. The national guard fired a grave salute.

Named "Chief Bighorn" GRANTS PASS, Oct. 14.—(AP)—W. J. Moyer, elected Chief Bighorn of the Oregon Cavelmen last night, will lead a tribal invasion of San Francisco in June. An Oregon Cavelman day has been designated at the 1939 Golden Gate exposition.

S. ems Ungrateful

PORTLAND, Oct. 14.—(AP)—When you rescue a man from drowning and he forgets to say thank you, that's usual, but when you rescue him and he demands \$10 for a hat you didn't rescue that's something else again.

Captain Karl Prehn, Portland harbormaster, told the Propeller club yesterday that people seldom say thank you.

GOVERNOR URGES HARDIER VIRTUES; LESS PAMPERING

School Principals Told U. S. Needs Moral Character to Keep Out of War.

SALEM, Oct. 14.—(AP)—Oregon's high school principals, meeting in annual convention, were urged by Governor Martin today to "teach the hardy virtues to prevent America from becoming a decadent nation."

"You teachers must be careful in teaching children of relief families. You must try to instill hardy virtues in them so they will develop a sense of pride, and want to become independent."

Speaking extemporaneously, the governor said the democratic nations have lost their moral force through "pampering their peoples."

"Hitler wouldn't get away with gobbling up Europe and Japan wouldn't get away with her invasion of China if we had some moral force. Both know that the democracies are weak and unable to stop them."

"We are one the way to war unless we stop the preaching of the soft virtues."

"I am not advocating war. I am a soldier and know how horrible war is. But America must develop some moral character to prevent being involved in a war."

"History shows that the strong nations gobble up the weak nations and we must prevent America from becoming a weak nation."

LAST SUMMONS TO 'POPEYES' CREATOR

SANTA MONICA, Calif., Oct. 14.—(AP)—E. C. Segar, 44, the house painter who became a cartoonist by taking a \$20 mail order course, left in death today a million-dollar legacy of comic characters to amuse the world.

The creator of "Thimble Theater," a quartet comic strip printed daily by more than 600 newspapers, and "Popeye the Sailor," a movie cartoon with fans around the globe, died at his home here last night after a long illness.

Since last January, his condition had been so serious he did little actual drawing. Others carried on the whimsical adventures of Popeye, spinach eater de luxe; J. Wellington Wimpy, hamburger chef, and the Oyl family—Olive, Castor and Anna.

Recently Segar underwent an operation for removal of the spleen. But even that failed to restore his ebbing strength. He had been in a coma 24 hours when death came, with Mrs. Segar, his 15-year-old daughter, and his 13-year-old son Tommy at his bedside.

King Features announced today in New York "Thimble Theater" would be continued as a daily strip, just as "The Gumps" lived on after the death of Sidney Smith, the cartoon family's creator, in 1935.

Brief Review of European Crisis

(By the Associated Press)
Munich—Czechoslovak envoy promises Hitler "loyal attitude toward Germany; fuhrer wants quick settlement of Hungarian controversy."
Budapest—Hungary said to have cancelled mobilization at Hitler's request; delegation files to Munich to explain territorial demands to fuhrer.

FUEHRER LIMITS HUNGARY CLAIMS FOR CZECH LAND

German Opposition to Common Frontier Seen—Mobilization Cancelled.

BUDAPEST, Oct. 14.—(AP)—It was announced tonight that War Minister Eugene Hofer would issue a decree tomorrow ordering immediate mobilization of five more army classes because of the Hungarian-Czechoslovak border crisis.

The men mobilized must report to their regiments by Monday.

Exact extent of the additional mobilization was not known.

Previously diplomatic circles said Hungary had postponed mobilization at the request of "great foreign powers," especially Germany.

(By the Associated Press)
Germany announced today Frantisek Chvalavsky, Czechoslovak foreign minister, had pledged his country to a "loyal attitude" toward Germany, in a talk with Adolf Hitler.

The announcement came as Hungary was reported to have cancelled plans of mobilization of her army and sent a delegation to explain to Hitler Hungary's minimum territorial demands upon Czechoslovakia.

A Hungarian foreign office official arrived in Rome to consult with Italian officials on Hungary's next move in her territorial campaign.

Czechoslovak political circles expressed a belief the wish of Poland and Hungary for a common frontier at the expense of Czechoslovakia would be met with German opposition. The same belief was expressed in high Nazi circles.

Hitler told the Czechoslovak envoy he hoped "it soon may be possible to find a satisfactory solution" to the Hungarian-Czechoslovak question, which Hungary yesterday wanted turned over to the four Munich accord powers after breakdown of direct negotiations.

CHILDREN REVEAL HIDDEN TREASURE

RIVERA, Calif., Oct. 14.—(AP)—Playmate efforts of Jeff, Bud and Marlene Scafer, ages four, six and seven, to dig dirt piles turned up approximately \$3500 of silver and currency on the ranch of Lee Williams, high school football coach of Downey, Calif. It became known today when the question of ownership was stirred up.

Authorities expressed the belief the money, found in tin cans and paper-lined glass jars, belonged to the former owner, John Cockrell, who died about four years ago. Cockrell, a bachelor, did not believe in banks, neighbors explained.

The father, who rents the ranch, turned over the money to Williams. Edwin J. Miller, attorney for the Cockrell estate, claims ownership for his clients. Miller estimated there may be as much as \$6500 more buried at other places on the ranch.

Heads United's Western Division



Seely V. Hall has been appointed Manager of Operations for United Air Lines' Western Division between Denver and the Pacific Coast. Hall began his aviation career in the Air Corps during the war, was one of the organizers of the Pacific Air Transport, the original airline on the Pacific coast, which is now part of United Air Lines. Since then he has served in various operations supervisory capacities for United. Now he is in charge of flight operations of United's entire system west of Denver.

DEATH COMES TO MRS. E. S. BARTLAM FUNERAL MONDAY

Fanny Ardley Bartlam, wife of Father Ernest S. Bartlam, rector of St. Mark's Episcopal church, passed away early this morning in the Good Samaritan hospital in Portland. Immediate cause of death was a heart attack.

Mrs. Bartlam was born in Milwaukee, Wis., Nov. 4, 1879, and was 58 years old. She was united in marriage to Father Bartlam Dec. 31, 1918, in San Francisco. They have no children.

Mrs. Bartlam received her education in Berkeley, Calif., where she attended high school and the University of California, where her father, Prof. H. T. Ardley, was art instructor. Prior to her marriage, Mrs. Bartlam taught school in the Red Bluff high school for 16 years.

Mrs. Bartlam resided in this city for the past five years, during which time she was loved by all who knew her. She was a woman who always had time to perform some kindly deed for young boys and girls and was unselfish to a fault, taking her time and strength to do for others instead of for herself. Until her serious illness last February, when she was confined almost entirely to her home, she was active in Sunday school and women's organizations of the church.

Mrs. Bartlam leaves to mourn her passing her husband, a sister, Miss Marcia S. Ardley of Oakland, Calif., and a brother, Harry M. Ardley, also of Oakland, and a niece and nephew. Funeral services will be held in St. Mark's Episcopal church Monday at 10 a. m. The Very Rev. E. M. Ramsey, dean of St. Stephen's cathedral in Portland, will officiate. The vestry of the church will be honorary pallbearers. The body will be sent to Red Bluff for interment.

It was always Mrs. Bartlam's expressed desire that no flowers be sent at her passing but that the money instead be used for the purpose of educating young men for the ministry. John C. Mann will receive the funds and then place them with the bishop of the church.

SOCIETY RESENTS LIBEL ON GOATS

SYRACUSE, N. Y., Oct. 14.—(AP)—Delegates to the annual meeting of the American Goat Society Inc. set out today to break down the comic strip idea that a goat is an odorous creature living largely on a diet of tin cans, catalogs and old automobile tires.

Dr. A. C. Dahlberg, director of dairy research at the New York state agricultural experiment station, Geneva, declared that in the last 15 years goats have reached a high place in the economic life of the nation's barnyard animals.

Goat raising, he said, has grown from a hobby to an industry valued in the millions and employing hundreds of persons, while goat milk sells for 25 to 50 cents a quart.

DESERTER ENTERS GUILTY PLEA IN NAZI SPY TRIAL

Ex-Sergeant Springs Surprise in New York Court—Stole American Plane Secrets—Select Jury.

NEW YORK, Oct. 14.—(AP)—A jury of 10 men and two women was chosen in an hour and a half today for the federal government's trial of three persons accused of being members of a spy ring which sold United States military secrets to a foreign government.

The jury was seated after Guenther Gustav Rummich, former United States army sergeant, a fourth defendant, had unexpectedly changed his plea from innocent to guilty.

Federal Judge John C. Knox deferred sentence until after the trial, Rummich will testify for the government, his counsel said.

Rummich, alleged by the government to have stolen a military aviation code, was a native of Chicago and the son of German parents. He deserted from the army in 1935.

Courtroom observers who had expected a protracted wrangle over the selection of jurors were surprised by the swiftness with which the jury and two alternatives were picked. Defense challenges far outnumbered those of the government.

At the request of U. S. Atty. Lamar Hardy, the vestigians were asked whether any was related by blood or marriage to Geniana.

The court room was filled to capacity long before Judge Knox, who had been delayed with other legal matters, mounted the bench. Newspaper men and women, including representatives of the more important European journals and a number of "unofficial" observers, jammed the room.

Rummich's co-defendants, who watched him change his plea in silence, are Johannes Hoffmann, 39-year-old former hair dresser on the North German Lloyd liner Europa.

PRESIDENT PLANS CAMPAIGN TALK

WASHINGTON, Oct. 14.—(AP)—President Roosevelt probably will broadcast a campaign address the evening of November 4 from his home in Hyde Park, N. Y.

In making this announcement today, the White House said:

"While the president's remarks primarily will concern the voters of New York state they will be sufficiently extensive in range to interest the nation as a whole."

The announcement said the president would make the speech "as a voter of the state of New York," his home state.

The president will leave Sunday for Hyde Park and spend about a week. He is expected to return to Washington before traveling northward to make the address four days before election day, November 8.

The president already has praised the Democratic state ticket in New York, headed by Herbert H. Lehman, who seeks a fourth term as governor.

'BAROMETER' POST FOR BOB FOWLER

CORVALLIS, Oct. 14.—(AP)—Appointments to the staff of the Barometer, student daily at Oregon State, and the Beaver, student annual, announced yesterday, included the following:

Barometer: Bob Fowler, Medford, associate editor; Marie Fell, Pendleton, assistant editor; Shirley Crossmiller, Salem, managing editor; Carl Loren, Silverton, night editor.

Beaver: Roberts Heidrich, Sprague River, assistant editor; Ed Berlin, Salem, scheduling editor.

LARGEST WEEKDAY PAPER PUBLISHED

WASHINGTON, Oct. 14.—(AP)—The Star published today what it called the largest weekday issue in history—90 pages including a 16-page tabloid supplement.

In a front page box, the paper announced the "achievement" was made necessary "by the enormous volume of advertising which was voluntarily submitted for publication."

SIDE GLANCES

Ed Pease coming to town from the sticks and pointing out with a touch of nostalgia that it will soon be time to start trap-shooting for turka.

Verl Walker getting a trifle more excited than his son Bobby over the latter having his photo taken with Bob Feller.

Betty Roberts being complimentary to a friend whom she hadn't seen for months, it pleasing the friend who would be more pleased if she could see Betty more frequently.

Mae Frazer being mistaken for a style show model, the erring person still thinking she looked 25, much like a model as the models themselves.

Zenda Sanders looking ducker in a gray suit with dubonnet accessories.