

Statesman-of-Air
Statesman department
broadcasts over KSM
each Monday at 7:15 p. m.
Tuesday 8:15, Thursday
7:15, Friday 10:45 a. m.

EIGHTY-SEVENTH YEAR

Weather
Partly cloudy today, fair
Wednesday, slightly cooler;
Max. Temp. Monday 76,
Min. 51, river -1 foot, north-
west wind.

Madrid Faction Gets Upper Hand in Spain

Russian Plane Makes Speed

County Assets Make Building Plan Possible

\$441,267.26 in Excess of Liabilities Is Shown on County's Books

Construction Even With no Federal Aid Seen as one Prospect

A summation of assets and liabilities released yesterday disclosed that Marion county may find itself in a position to build a new courthouse regardless of whether or not the public works administration allocated federal money to the project.

Prepared by Deputy Clerk Connel Ward at the request of the county court, the study shows the county to have an excess of assets over liabilities amounting to \$441,267.26.

If the PWA should allot the \$266,404 grant which has been applied for in connection with the \$592,010 construction program, the county court apparently would be able to raise the sponsor's \$325,606 share in the project by floating a loan against the excess assets or by obtaining a smaller loan and utilizing a cash surplus that exists.

Possible Even If WPA Aid Denied

If the county, on the other hand, found it necessary to finance the project unaided, the court could borrow as heavily as possible against the excess assets and levy a relatively small tax to make up the balance of the \$325,606.

In either instance, moderately light levies could be made over a several-year period, under the state courthouse construction act, to wipe out the loan.

The possibility of the county's putting up excess assets as collateral for a loan was suggested indirectly in the opinion recently given by Attorney General I. H. Van Winkle as to the legality of the state act and as to applications of the constitutional debt limitation. The opinion stated that the county should determine where the \$500,000 constitutional debt limit began by the second method of checking liabilities against assets currently available for their payment.

The clerk's financial report will be discussed at tonight's meeting of the county court's general building committee. Either C. C. Hockley, state PWA administrator, or his assistant, Folger Johnson, will be present to explain the PWA situation as far as possible, according to County Commissioner Leroy Hewlett.

Linn Using Similar Setup in Its Plans

The Linn county court, which filed its PWA application only ten days ago, is planning to build a new courthouse on the same site as the old one.

Flood Control on Santiam Scanned

United States army engineers hope to be able to make a flood control survey of the North Santiam river in the near future, County Engineer N. C. Hubbs and County Agent Harry L. Riches were advised yesterday when they went to the engineers' district office in Portland.

Means of minimizing flood damage to lands along this stream are possible, the ultimate solution will be construction of a high dam below Detroit, Hubbs reported on his return.

The two officials also were informed an allotment of funds for flood control works on the main branch of the Santiam to the Willamette river had been made and the work probably would be started soon.

Traffic Toll for Portland now 45

PORTLAND, July 12.—(AP)—Portland's traffic toll reached 45 for the year when Mrs. Kenneth McKean, 26, was fatally injured while walking across a residential intersection yesterday.

City Patrolman Hintz said the woman was struck by a car driven by Francis C. Coulombe, 22, of Camas. The driver was arrested.

Softball Chiefs to Meet

A meeting of managers of the Salem Softball association has been scheduled for tonight at 8 o'clock at the Y. M. C. A.

Radio Network Guides Airmen; Snowstorm Is Dodged, Polar Regions

1000 Miles Past "Farthest North" in Strait of Melville Latest Position Reported; All Well; Signal Corps Providing Aid

SEATTLE, July 13.—(Tuesday)—(AP)—A red-winged Russian monoplane from Moscow thundered down from the top of the world today, guided toward San Francisco by a giant radio network.

The plane passed the vicinity of the North Pole yesterday afternoon and began its southward flight along the 120th meridian, roughly on the course of three daring Russians who essayed a similar flight a month ago.

At 11:58 p. m. (P. S. T.) last night, Alaska Communications reported it had received a message indicating they were about 1000 miles on the U. S. side of the pole.

The message said: "My position is Strait of Melville, everything all right. Signed Danilin."

Smooth flying weather marked all the flight from Moscow to near the pole. There Navigator Danilin reported cyclonic conditions, and the pilot veered the graceful monoplane to the west.

Five hours later Danilin reported "all is well." The ship had flown about 100 miles, apparently beyond the storm area.

As soon as the plane crossed (Turn to Page 2, Col. 8.)

It was believed here that some of the principals were perhaps out of the city, accounting for the delay in the reply. This is the firm which won the award for the new capitol.

The work of obtaining options on at least two blocks of residence property north of the capitol site was started Monday by T. H. Banfield, a member of the capitol reconstruction commission.

The property, when purchased by the state, will be used for construction of a library building and probably a state office structure.

The last legislature appropriated \$850,000 of which \$300,000 was for the purchase of additional land and \$550,000 for building construction.

An additional \$45,000 grant recently was obtained from the federal government.

Banfield indicated that the options would be obtained within a month.

Tiny Cooper Wins Northwest Title

Decisions Chuck Nickason of Vancouver in Fight on Woodburn Card

WOODBURN, July 12.—Tiny Cooper, hailed as Oregon's heavyweight champion, extended his claims to the northwest title as he defeated Chuck Nickason in the main event tonight at the American Legion's big open air card held in the ball park at Woodburn.

Nickason, billed as Canada's best, and calling Vancouver, B. C., home, could not land one on Cooper tonight as he did in a previous meeting at Vancouver when he kayoed him in the sixth.

Cooper now gains possession of a handsome belt signifying the title.

(Turn to Page 2, Col. 4.)

Lewis Launches Program to Organize Public Employees

WASHINGTON, July 12.—(AP)—John L. Lewis began a drive today to bring 2,000,000 state, county and city employees into a new union affiliated with his Committee for Industrial Organization.

Employees of state, county and municipal divisions of our government have long felt the need of an organization to promote their welfare and provide means for the adjustment of grievances arising through their employment.

Lewis said in a statement, CIO leaders added the nucleus of the new union will be a group of federal, state, county and municipal employees, an American Federation of Labor union chartered within the last few years.

A. D. Lewis, a brother of John L. and director of the CIO's government employees section, said this group is mostly in New York and Pennsylvania.

Abram Flaxer of New York City, who has been vice-president of the AFL union, was named executive vice-president of the new

union. He is to head it until a permanent organization is set up. The drive is Lewis' second in the governmental field. He recently announced a campaign to organize the "United Federal Workers of America."

Flaxer said the new union will take over at least 13,000 of the 15,000 AFL members in city, state and county employ. Independent unions in St. Louis, Chicago, Milwaukee and along the Pacific coast already have applied for membership, he said.

Elected officers, executives with power to hire and discharge, firemen, police, school teachers and members of the military forces will not be eligible to join.

John L. Lewis also announced that "the use of strikes or picketing by the union shall be deemed a violation of the policy of this organization."

Lewis' efforts to organize federal workers were denounced today by Representative Hoffman (Turn to Page 2, Col. 2.)

Shells Burst Over Peiping; Battle Rages

Heavy Casualties Occur Upon Both Sides When Hostility Renewed

Reinforcements Sent in by Both Sides; China Taking Firm Stand

PEIPING, July 13.—(Tuesday)—(AP)—Shells began bursting over the walls of Peiping today as Chinese troops of the 29th route army clashed with Japanese reinforcements just south of the city.

Heavy casualties were reported on both sides.

The fighting began shortly before noon in the new area of the Peiping battle zone, outside the Yung-tung-men sector of the city at the south gate. Within a few moments it had spread a half-mile southward to the railway bridge on the road to the Nanyuan airbase and the Chinese barracks there.

Chinese troops from the barracks were immediately drawn into the engagement, the latest outbreak of hostilities which started last Wednesday midnight when Japanese troops on secret maneuvers joined battle with the Chinese guard over Marco Polo bridge across the Yantung river.

Shells started exploding over the city walls a few minutes after noon.

The Japanese troops were reinforcements for the western battle zone. They had been refused admittance to the city at the northern gate last night and deployed to the south against the airbase and barracks at Nanyuan.

PEIPING, July 13.—(Tuesday)—(AP)—Big guns roared for half an hour today in continuance of Japanese-Chinese hostilities west of Peiping.

All was quiet again shortly after 7:30 a. m. (3:30 p. m. PST), but both sides continued moving reinforcements into the zone of conflict. The cannonading followed a resumption of warfare last night after a one-day truce.

In Nanking the foreign office told the Japanese embassy there could be no valid settlement of the troubles without the sanction of the central government.

It was understood the statement was issued as a result of reports from Japanese sources that authorities of the Hoptel-Chahar (Turn to Page 2, Col. 2.)

No Need of State Car Says Hazlett

An unprecedented request startled the state board of control at its meeting Monday.

James Hazlett, state corporation commissioner, informed the board that he has no use for his state-owned automobile and asked that it be transferred to some other department.

"That official deserves a medal," State Treasurer Holman declared. Governor Charles H. Martin agreed.

It was the first time in the recollection of present board members that a state official voluntarily asked to return an automobile assigned to his department.

Ask Early Action Anent Bonneville

WASHINGTON, July 12.—(AP)—Chairman Mansfield (D., Tex.) of the house rivers and harbors committee said today the house rules committee would consider his application Wednesday for early consideration of the Bonneville dam administrative legislation.

A measure is now before the house which would place an interior department administrator over power to be generated at the giant Columbia river plant and give the war department control of the physical properties of the project. A somewhat similar measure is before the senate commerce committee.

Fractured Hip Suffered

Mrs. Victoria Brescher, 80, suffered a fractured hip in a fall at her home at 292 North Summer street last night. Mrs. Brescher was removed to Salem general hospital, where she was said to be resting easily.

Hops Under AAA, Plea

WASHINGTON, July 12.—(AP)—Rep. Walter M. Pierce of La Grande, Ore., proposed today to make the agricultural adjustment act apply to hops.

Bailey Claims Bill Violates Constitution

Control Supreme Court, Declared Purpose of Administration

Gag Rule and Filibuster Charges Are Traded by Rival Groups

WASHINGTON, July 12.—(AP)—Senator Bailey (D-NC) climaxed a turbulent day of senate debate on the court reorganization bill today with an assertion the measure is clearly unconstitutional.

Before a crowded senate, tant with the strife the measure has provoked, he shouted that the purpose of the bill is to control the decisions of the supreme court, an objective for which there is no sanction in the constitution.

The North Carolinian spoke after Senator O'Mahoney (D-Wyo.), former democratic national committeeman, charged administration leaders with ignorance of the bill they are espousing. He also accused them of imposing "gag rule" on the senate and denounced the measure as centralizing control over the administration of justice.

Both speakers delivered their addresses between intermittent outbreaks of the parliamentary sharpshooting that has dominated the discussion ever since Senator Robinson (D-Ark.), the majority leader, invoked rules used only to combat actual or threatened filibusters.

Responsibility for Tie-Up Is Denied

Both proponents of the bill and the opposition denied responsibility for the fact that since these rules were applied, other business, notably a war department appropriation bill and the administration farm bill, has piled up awaiting settlement of the court squabble.

Proponents pointed to the fact (Turn to Page 2, Col. 1.)

Culinary Alliance Contract Refused

Curtailment of Jobs for Students Is Principal Objection Offered

A revised culinary alliance contract proposal was rejected last night by the Salem Restaurant association, according to Frances Randall, member of the association executive committee.

Chief reasons given for the rejection were that the proposed union agreement would greatly curtail the number of Willamette university students who could be employed by the restaurants and that an apprenticeship system was not provided for.

The latest union agreement and the employers' last proposal are not far apart, Mrs. Randall said, and negotiations will be continued by the association executive committee.

Submitted by C. A. Chambers, alliance business agent, the contract turned down last night provided for an eight-hour day, time and one-half for overtime and a 10 per cent increase in wages.

Mrs. Randall said the association but the employers wanted to retain the wage scale which was adopted by the union last year and on which the requested 10 per cent increase is based.

Whereas many downtown restaurants ordinarily employ from three to five or more Willamette university men and women students during the school year, the union proposal would limit the operators to one student for the first five regular employees and one additional student for each additional 10 union workers.

Bostwick Admits Robbery, Claimed

ALBANY, July 12.—(AP)—Sheriff Herbert Shelton and State Patrolman Larion said Oscar F. Bostwick, arrested last night, confessed to the robbery of the L. A. Staumbaugh service station here 18 months ago.

Search was instituted for James Landgraf, whom the officers said was implicated by Bostwick, who was bonded over to the grand jury under \$1000 bond.

Flax Festival Again Slated for Mid-August at Mt. Angel

MT. ANGEL, July 12.—Decision to sponsor a flax festival here Friday and Saturday, August 13 and 14, was reached this noon at a meeting of the Mt. Angel Businessmen's club.

Fletcher Lynn of the Vancouver linen mill addressed the club, urging the festival and pledging the cooperation of his company. He promised entry of a float in the parade which will be a feature at 2 p. m. August 14.

Shotwell Callvert, head of the Portland WPA players, offered cooperation in form of a suitable play during the festival.

Governor Martin, who has been active in promotion of the flax industry in Oregon, will be invited to crown the queen, this to be one of the features of the opening day. Methods of selecting the queen and princesses for the festival were not fully determined at the meeting today.

Other plans drawn up today call for a queen's ball following her coronation, this to be in a

Golf Wizard Mystery Cleared as Montague Held on Holdup Charge



The question as to why John Montague, 32, declared by experts to be the greatest golfer in America, steadfastly refused to enter tournaments, is answered. He was arrested last week on charges of assisting in a holdup in New York in 1930, and admitted that he was LaVerne Moore, the man wanted.—International Illustrated News photo.

Montague Fights Removal to East

L. A. Sheriff Asks Him to Appear in "Lineup" for Probe of Activities

LOS ANGELES, June 12.—(AP)—The "mystery man" of the fairways stacked his golf clubs away today and went into a preliminary hearing July 26 on a New York fugitive complaint.

Counsel for John Montague said his client is taking a rest.

"He is playing no golf these days," said Jerry Giesler. "There is no change in our plans. Montague will fight any attempt to extradite him to New York."

Montague is charged with participating in a Jay, N. Y., roadhouse holdup in 1930.

His arrest last week shocked the film colony and many actors and sportsmen rallied to his support today with promises of helping him as much as possible.

The theme of their statements was that in the seven years Montague had been in California (Turn to Page 2, Col. 4.)

Helen Moody May Seek Separation

RENO, Nev., July 12.—(AP)—Mrs. Helen Willis Moody, former world's tennis champion of the world, established herself today at a Nevada vacation retreat and conferred here with an attorney who said she might "later on" seek a divorce from Frederick S. Moody, Jr.

When the former Wimbledon and national tennis champion arrived at Glenbrook, Lake Tahoe resort on the Nevada shore, she said she planned merely to "rest."

Later, she drove here and conferred with Atty. Robert M. Price, who announced the court said would consider divorce action against Moody, her non-tennis-playing husband, who is a San Francisco oil executive.

Young Patient Escapes At State Hospital Here

William E. Stewart, 16, escaped from the Oregon state hospital late Monday afternoon, state police were informed. No word of his return to the hospital had been received last night. Stewart was committed to the institution from Grants Pass.

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13 Planes Are Shot Down by Loyalist Aces

Heavy Casualties Occur Among Insurgents in Conflict on Land

Rebels Contend Enemy's Progress Is Made at Many Lives' Cost

MADRID, July 12.—(AP)—The Spanish government, pushing its offensive west of Madrid by land and air, announced tonight its fliers had shot down 13 insurgent planes while its troops inflicted heavy casualties on enemy ground forces.

Observers returning from the front reported how the bare Castilian plain had been turned into a vast battleground with whole villages blotted out by terrific artillery and air bombardments.

In Villanueva del Pardillo, 16 miles west of the capital, and Quijorna, scarcely a house was left standing.

Severe fighting raged on before dawn today until after nightfall near Villanueva del Pardillo, a communique said, with the government forces "frustrating all enemy attempts and causing heavy casualties."

Nine insurgent craft, including one Heinkel (German type) and eight Fiat (Italian type), it said, were felled in a lengthy battle in the skies over insurgent territory near El Escorial, 26 miles northwest of Madrid.

Loyalist Losses

Low, Madrid claims

Three others, the communique added, were shot down in the Madrid area in which loyalist (government) fleets bombed more than a score of enemy positions, troops concentrations, trucks and airfields; another, riddled by machinegun fire by loyalist planes, made a reconnaissance flight over the Balearic archipelago and fell in the sea.

"Our losses, including two airplanes which did not return to their base, were limited to three planes."

Against the government air raids, insurgent air forces retaliated with attacks upon the Brunete-Culpierna sector—outposts of the government's new drive intended to raise the siege of Madrid. The offensive, now in its seventh day, has pushed Gen. Francisco Franco's insurgent line back northwest of Madrid but left the Besiegers still at the capital's southern gates.

Insurgent headquarters contended the government had made progress at the expense of 10,000 dead and wounded, while government sources estimated their opponents lost 4,000 men in the battle for Villa-Nueva Del Pardillo.

A two-hour naval engagement between three government warships and the insurgent cruiser Baleares, 20 miles from Valencia, ended apparently with no damage to either side.

SALAMANCA, Spain, July 12.—(AP)—A bitter struggle that may be the climax of the civil war, insurgent officers declared tonight, is being waged on the Madrid front.

They said it has forced into temporary, perhaps permanent, discard, an insurgent plan to sweep Spain's northwest edge through Santander and then mass forces for an offensive against main government strongholds, Madrid, Barcelona and Valencia.

The government forces, insurgent commanders said, evidently have chosen to fight it out now where they are strongest, on the Madrid front in central Spain, and Gen. Francisco Franco's troops are accepting the challenge.

Spanish War Vets Meet at Medford

MEDFORD, July 12.—(AP)—Nearly 400 delegates, representing every district of the state, opened the annual state encampment of the United Spanish War Veterans and auxiliary here today.

A parade this morning was followed by official greetings at a joint meeting, after which both bodies convened separately for business sessions.

Astoria was mentioned as a candidate for the 1938 convention city.

BALLADE OF TODAY

By R. C.

As long as Mussolini and the other fascist bosses kept sending troops and guns to Spain to sharpen rebel claws, it didn't make much difference how great were Franco's losses, but now that help has slackened it looks bad for Franco's cause.