

World Panorama

Dorothy Thompson, Statesman columnist, brings to this newspaper's readers a keen insight into world events and their significance.

Weather

Fair today and Friday, little change in temperature or humidity; Max. Temp. Wednesday 88, Min. 46, river -3.2 feet, northwest wind.

EIGHTY-SEVENTH YEAR

Chinese Ready to Attack Outnumbered foe

Housing Issue Is Cleared by Lower Branch

Measure Differs Widely From Senate's, Must Reach Agreement

House Clears Decks but Tax Loophole Bill Is in Upper Tribunal

WASHINGTON, Aug. 18.—(AP)—The house shoved the low-cost housing bill through passage tonight with a 274 to 86 roll call vote.

Approval of the measure to set up a \$26,000,000 program of federal aid to state and municipal low-cost housing projects cleared away a major barrier to adjournment of congress by Saturday.

The senate, however, must approve house amendments before the legislation goes to the White House.

Critics shot one amendment after another at the legislation. Almost without exception the house refused by lopsided votes to accept them.

Conference Fight Is Now Forecast

But because house provisions departed drastically from those that won senate approval a fortnight ago, a further struggle lies ahead in a conference in which senators and representatives will attempt to reach a compromise.

Tonight's house action left it up to the senate to wipe clean the session's legislative slate by passing a final appropriation bill and legislation to close tax law loopholes.

For more than nine tumultuous hours members battled over the housing measure.

In the midst of the give and take wrangling, a 7 to 58 standing vote killed a proposal by Representative Hancock (D-N.C.) to impose a limit of \$4,000 per dwelling unit or \$1,000 per room on all housing projects.

Must Be Held to Average Housing

Similar restrictions were incorporated by the senate. The house, however, accepted the decision of its banking committee that cost should be held down to the average for similar private construction and in no event exceed \$5,000 per unit.

Still resisting any major effort to change the legislation, the house junked an amendment by Representative Fish (R-N.Y.) that would have lifted from 10 to 15 per cent the amount of federal funds that might be turned over to any one state.

It refused to alter the housing bill's provisions for local contributions toward the cost of dwellings for families of small wage earners. The senate, meantime, began consideration of the house-approved bill to close loopholes in the tax laws. It delayed a vote until tomorrow after Senator Schwellenbach (D-Wash.) protested against the measure's being rushed through "without even a pretense of adequate consideration."

Valley Priest Is Jailed by Nazis

PORTLAND, Ore., Aug. 18.—(AP)—A little American flag carried in his pocket and a United States passport failed to keep Rev. Joseph E. Saal, Catholic priest, out of jail when he visited his native Germany for the first time in 26 years, he told interviewers today.

The Rev. Saal, parish priest of the Little Flower shrine at Wilsonville, said he spent a short time in jail for making uncomplimentary remarks about Dr. Josef Goebbels, minister for national enlightenment and propaganda.

He said he was accused of holding public meetings because he stopped and spoke to persons on the street and gave a farewell party for his brothers and sisters.

"The people are living in a terrible fear," he said. "They have no freedom. If they go to America all the property they possess is confiscated. They get only enough for a steamship ticket and \$2.50 in money. The resentment against Hitler is growing."

WPA Lists Funds For new Schools

PORTLAND, Aug. 18.—(AP)—Washington advised C. Hockley, Oregon PWA director, of the following allotments for school buildings:

Near Sherwood, grant, \$3,772, estimated cost of structure \$8,382; Beaverton \$31,500, estimated cost \$70,000; Gilbert Station \$32,727, estimated cost \$90,909; Astoria, \$9,350, estimated cost \$19,000.

Roper Is Reluctant to Invoke Neutrality Law In Sino-Japanese War

Effect of Favoring one Nation Is Feared With Prospect Both Would Transfer Relations, Be Difficult to Regain

Insurgents Take Arenas, Is Claim

Left Flank Is Crushed in Surprise Sortie by Leftists, Stated

HENDAYE, Franco-Spanish Frontiers, Aug. 18.—(AP)—The insurgent radio at Bilbao announced tonight that Gen. Francisco Franco's troops have occupied the town of Arenas, 28 miles from Santander.

Arenas is 11 1/2 miles north of Reinoso, important northern Spanish town taken earlier in the week by the insurgents in their campaign against government-held Santander.

The radio communique said 1,700 government militiamen surrendered.

In taking the town of Arenas, the insurgents captured their first glassworks. The factory was in good condition and furnaces will be lighted Friday to start production of glass badly needed in a dozen towns and cities where bombing and shells have left scarcely a window intact.

A government communiqué claimed that surprise sortie of crack Asturian and Santander troops from the mountains west of Reinoso had crumpled the left flank of the insurgents there.

The government troops were said to have swept the insurgents from their trenches along the Peneda highway in a complete rout.

Insurgent artillery and aircraft tried to defend the positions, the government said, but the attackers took command of several hills.

The government victory was within 40 miles of Santander, its last Biscayan seaport and stronghold toward which insurgent Generalissimo Francisco has been driving steadily.

Hiring of Oregon Jobless Is Urged

The practice of certain Oregon employers in hiring recent arrivals from other states instead of persons dropped from the WPA rolls, was deplored by Floyd Bilyeu, state field agent for the works progress administration, while in Salem Wednesday.

"I have been advised that many Oregon employers are giving preference to persons from other states," Bilyeu said, "with the result that former WPA workers have been unable to obtain employment. If this continues the relief rolls in Oregon will increase correspondingly."

Bilyeu said many persons dropped from the relief rolls are efficient and were badly in need of employment.

"I would suggest that persons desiring to employ the 'relief' workers for the works progress administration before taking on residents of other states," Bilyeu continued.

FR Foes Distrust Democracy He Asserts; Quotes Macaulay

WANTEO, Roanoke Island, N. C., Aug. 18.—(AP)—President Roosevelt accused his foes today of "mouthing" praise of the constitution while secretly distrusting democracy.

The president's denunciation of what he called his "tory" opposition was his first since the United States senate buried his proposal to reorganize the supreme court.

It was delivered before a peripatetic crowd of several thousand at ceremonies celebrating the 350th anniversary of the birth of Virginia Dare, first child of English parents born on this continent.

Mr. Roosevelt turned to Lord Macaulay, an English historian who predicted in 1857 that democracy would not succeed in this country, for the major theme of his address.

After reading from Macaulay's prediction, he declared:

"Almost, methinks, I am reading not from Macaulay but from

Portugal and Czechs Break Off Relations

Failure to Permit Arms Purchase, Attitude on Spain Reasons Given

Minister Leaves; Recent Disturbances Viewed as Possible Cause

LISBON, Portugal, Aug. 19.—(AP)—The Portuguese government has broken diplomatic relations with Czechoslovakia because the Praha government refused to let Portugal buy arms and because of the Czechoslovakian attitude toward Spanish non-intervention, an official communique said today.

The government statement disclosed that the Portuguese minister to Czechoslovakia left Praha for Vienna yesterday with the legation staff, leaving the task of looking after Portuguese interests in the middle European republic to the Italian minister.

LONDON, Aug. 18.—(AP)—The Portuguese government, said a dispatch from Lisbon today, has severed diplomatic relations with Czechoslovakia.

The dispatch did not mention cause or details of the reasons for severance.

The cable from the Associated Press correspondent in Lisbon said only "Portuguese government severed diplomatic relations Czechoslovakia," and it had been delayed some hours by the Portuguese censor.

Pending receipt of more definite news from Lisbon, foreign observers speculated whether the rupture might have been the outcome of two recent events—a series of bomb explosions in Lisbon last January and the recent attempt on Premier Oliveira Salazar's life—since the government claimed foreigners were implicated in both events.

The Exchange Telegraph Agency (British) declared under Lisbon date that the Portuguese government broke all relations with Praha because of the Czechoslovakian government's alleged failure to fulfill contracts to supply arms to Portugal.

Costa Carneiro, Portuguese minister to Praha, will be recalled at once, Exchange Telegraph said.

Official quarters in Berlin professed to have no information of such a step by the two governments, and there was general surprise there.

Comment from Praha was not at once available.

Moody Preparing Bank Night Brief

The state's brief in the suit brought by Carl Porter, manager of the Elsinore theater, to restrain local officers from interfering with the operation of "bank night," was being prepared Wednesday by Assistant Attorney General Ralph Moody. He said the brief would be filed later in the week.

Arguments in the case were heard by Circuit Judge Lewelling several months ago and the attorneys were ordered to file briefs before a final decision was handed down.

Moody contends that "bank night" is a lottery and in violation of the Oregon gambling statutes.

Attorneys for Porter alleged that "bank night" was a patented entertainment feature and was operated in connection with the moving picture industry.

The operation of "bank night" was discontinued here at the time the original suit was filed.

Peters Will Hear Recall Argument

Chief Justice Bean of the Oregon supreme court yesterday assigned Circuit Judge Peters of Hillsboro to hear the mandamus proceeding to compel County Clerk Boyer to call a special election for the recall of County Judge John Siegmund.

The writ of mandamus was made returnable in the circuit court here Friday morning.

Boyer refused to call the election on the grounds that the good names on the petitions were not sufficient. A large number of names were rejected for the reason that they could not be found on the voters' registration lists.

Sponsors of the mandamus proceeding alleged that the signers, although not registered, were eligible because they possessed the other qualifications of a voter.

The mandamus was filed by J. S. Baker and others.

SCENES OF WARFARE IN NORTHERN CHINA



Two of the first actual war scenes to arrive from China since hostilities with Japan broke out. Above, a Chinese field piece is fired in a Tientsin street, with officer in the rear watching target through binoculars. Below, train derailed and rails torn up by Chinese as they retreated southward, Japanese soldiers guarding the wreckage while equipment to repair the damage is on the way.—I.N. photos.

Young Roosevelt Denies Escapade

Must Have Been Someone Else, He Asserts but French Are Certain

PARIS, August 18.—(AP)—John Roosevelt, youngest son of President Roosevelt, denied today that he had squirted champagne in the face of the mayor of Cannes or slapped him with a bouquet of flowers at a Cannes "bottle of flowers" on Sunday.

He said the playful celebrant must have been someone else.

However, George Goin, chairman of the fete committee who made the original identification of young Roosevelt as the one who encountered the mayor, said in Cannes:

"It was young Roosevelt who attacked the mayor and there is no mistake.

"I was sure of it before and I verified it afterwards."

Mayor Pierre Nouveau himself, who had a telephone conversation today with American Ambassador William C. Bullitt, asserted:

"I was told that my attacker was young Roosevelt although I had never seen him before. I regret to say that I am certain now it was Mr. Roosevelt. I wish the whole affair was ended."

Large Sums Paid, Relief in County

A total of \$21,881.35 was distributed so far in the month of August to 1062 people throughout the county by the local relief agency, it was announced yesterday at the county relief office.

Under the assistance to blind division \$778 was issued to 34 people for an average of \$22.88. Dependent children in the county numbered 85, receiving a total of \$1185 or an average of \$13.94 apiece. The largest fund of the three included is that allotted in the old age division in which 943 people received \$19,918.35 or an average of \$21.12 per person.

The office is preparing for new CCC enrollment scheduled for the early part of next month. Specifications for this sort of work have changed slightly during recent months. It now includes young men who need jobs besides those actually on relief. If the applicant has no dependents his earnings will be saved and paid in a lump sum at the time of his discharge. Anyone interested is invited to get information at the office.

Late Sports

LOS ANGELES, Aug. 18.—(AP)—The Seattle Indians defeated Los Angeles tonight, 11 to 8, halting the Angels' winning streak at six games.

Following a conference this afternoon involving union, company and municipal representatives, the strikers agreed to return to work.

Blaze Is Battled In Green Timber

George Drake, Logging Superintendent, Reported the Fire, Believed to Have Been Ignited from a Spark when Pitch Lines Snailed during Operations this Afternoon, was Rapidly eating its way into green timber.

George Drake, logging superintendent, reported the fire, believed to have been ignited from a spark when pitch lines snailed during operations this afternoon, was rapidly eating its way into green timber.

He said the company's donkey engines and much felled timber, Drake said, had already been consumed by the flames.

Nazi Camps Under G-Men's Scrutiny

WASHINGTON, Aug. 18.—(AP)—G-men began to scrutinize certain German-American camps today to discover whether any are being operated in violation of federal law.

"It is really more of a check up than a formal investigation," Attorney-General Cummings told reporters. "But I have asked the federal bureau of investigation to make a cursory examination to ascertain if there are any facts warranting further investigation."

The government's attention was brought to the camps when representative Citron (D-Conn.) asked the state department to ascertain whether "naaz military training camps" are being sponsored in this country by German consulates.

Babe Risko Takes Count

MILWAUKEE, Aug. 18.—(AP)—Babe Risko of Pittsburgh, former middleweight champion, was knocked out in the fifth round of a scheduled 10-round bout here last night by George Black of Milwaukee.

Lebanon Strike Settled but Oakridge Mill has Dispute

EUGENE, August 18.—(AP)—C. A. Paddock, AFL lumber union organizer, who was arrested at Lebanon for "riotous conduct," was released today upon settlement of the strike at the Wynn-Sewell lumber mill.

Following a conference this afternoon involving union, company and municipal representatives, the strikers agreed to return to work.

They had walked out last week when officials of the company dismissed the union leader. Since that time the crew, composed of about 35 men, had remained about the plant.

Settlement of the Lebanon strike, however, was overshadowed today when CIO organizers charged "dictatorial" methods by lumber and sawmill worker officials last night at Oakridge. The local there voted to disregard the question of CIO affiliation.

Percy M. Madden, Marshfield,

Japanese Land Positions Are Under Barrage

100,000 Regulars, Many Others Due to Oppose 25,000 Nipponese

Events May Shift Heavy Artillery Battling From Shanghai

SHANGHAI, Aug. 19.—(Thursday)—(AP)—Japanese warplanes rained bombs on the American Southern Baptist Mission compound today as a heavily reinforced Japanese army took the offensive to cut off Shanghai from Woosung and the Yangtze river.

It was not definitely known whether the 20 Americans living in the compound had been evacuated. The Japanese bombs were apparently intended for the electric power house in the Chapei area on the northwestern border of the international settlement.

U. S. Consul Gen. Clarence E. Gauss decisively told Japanese naval authorities' traffic between Shanghai and Woosung—the gateway to the sea and safety for thousands of Americans—must be absolutely unrestricted.

As the Japanese started their offensive Vice Adm. Kiyoshi Hasegawa, commander-in-chief of the Japanese fleet operating against Shanghai, notified the American authorities the Japanese navy wished to restrict traffic on the Whangpoo river over which almost 1000 Americans have been evacuated.

SHANGHAI, Aug. 19.—(AP)—Chinese artillery batteries began shelling Japanese land positions and warships in the Whangpoo river at the impending battle was expected to be the severest East Asia has seen since the close of the Russo-Japanese war a quarter of a century ago.

The Chinese bombardment continued off and on throughout last night and as the brilliant Shanghai moonlight faded before the dawn burst into full fury.

Settlement Faces Shortage of Food

The international settlement, French concession and Chinese (Turn to Page 2, Col. 1)

Live Steam Blast Kills 7 Workmen

PHILADELPHIA, August 18.—(AP)—A blast of live steam in the fire room of the U. S. destroyer Cassin killed seven workmen today and scalded nine others, including seven sailors.

The dead were Joseph Vassallo, Michael Scavo, Louis Eberly by William Mehl and W. T. McCullum of Philadelphia; George Drebnach, Oaklyn, N. J., and Daniel Vautier, Camden, N. J.

The Cassin had been in drydock for several days for repairs. Steam pressure on the vessel had been raised to test the valves.

One of the main pipes in the fire room burst, filling the room with live steam.

Graves May Name Wife for Senator

ATLANTA, Aug. 18.—(AP)—Mrs. Bob Graves, the likely appointee for the United States senate seat of Hugo L. Black, sped to Washington by airplane late today with her husband, the governor of Alabama.

Both Mrs. Graves and the governor—who is empowered to appoint a successor to the supreme court justice-designate—were in high spirits, but noncommittal.

The governor's wife, Dixie to her friends, laughed aside authoritative reports she will succeed Black. Graves likewise refused to affirm the reports.

BALLADE OF TODAY

It seems the well-meaning neutrality law, designed to keep this nation free from all harm, would operate much like a sock on the jaw to a nation invaded, desiring to arm; so though China's beset by the hosts of Japan, officialdom stalls on invoking that plan.