

**The Weather**  
Partly cloudy today and Thursday. Fog on coast. Max. temperature Tuesday 78. Min. 44. River 3.4 feet. North wind.

EIGHTY-EIGHTH YEAR

## New Deal Cuts Rebuff in Virginia Primary

### New Battle Rages Over Border

#### Russians Hurl Six Divisions At Shachofeng

30 Tanks Support Troops in Biggest Fight yet of Border Battle

#### Japanese Sources Report Russians Thrown Back With big Losses

TOKYO, Aug. 3.—(Wednesday)—(AP)—Following night-long aerial and artillery bombardments, Soviet Russians hurled six divisions, supported by 30 tanks, against Japanese positions at Shachofeng at 6 a. m. today, according to an army communique.

Japanese army sources said the Russians were repulsed with "heavy losses."

Shachofeng is a point near Changkung, dominating height in the Poshiet bay region on the ill-defined border of Russian Siberia, the Japanese colony of Korea and the Japanese protectorate of Manchoukuo, and is about 150 miles southwest of the important Russian far eastern naval and military base of Vladivostok.

#### Japanese Claim Attack Broken

The Japanese communique, describing the attack which came at 4 p. m. EST, Tuesday, said "Japanese troops waited until the Soviets were within 230 yards, then charged and broke the Russian attack in hand-to-hand fighting."

The Russians quickly reformed their lines and returned to the assault an hour later, but again were repulsed.

Meanwhile official sources said Russian air squadrons bombed Kojo, a town on the Korean side of the border, "causing numerous civilian casualties."

Exact military losses on either side were not stated.

Meagre information showed both sides were heavily armed with the most modern equipment.

The Russians were using small, fast tanks and the Japanese, apparently were forewarned of this type of weapon and were well supplied with batteries of armor-piercing anti-tank guns.

30 Tanks Reported Disabled

The Japanese war office estimated the Russians already had lost nearly 30 tanks in the engagement, 11 of which fell into Japanese hands.

Despite the continuing conflict which the Japanese war office yesterday said was "exceptionally serious," official circles still insisted the situation was unlikely to develop into a full-sized war.

Today's battle apparently was the most determined since the series of engagements over the frontier position began Sunday.

A foreign office spokesman said that the first secretary of the embassy in Moscow had lodged a new protest against "Soviet lawlessness" on Tuesday, but that no reply had thus far been received.

Ambassador Namoru Shigemitsu was to present another protest directly to the Russian foreign minister, Maxim Litvinoff, today.

(The number of men in the Soviet divisions involved in today's fighting was not at once established. If the divisions were at full strength they probably would number about 14,000 men each.)

#### Portlanders Land, Fairbanks Airport

FAIRBANKS, Alaska, Aug. 2.—(AP)—Harry K. Coffey and W. F. White of Portland, Ore., arrived here today by airplane from Whitehorse, YT, after what they described as an uneventful four-hour and 15-minute flight.

Their route here from Portland, they said, was via Vancouver, Prince George, Telegraph Creek and Whitehorse.

Coffey said they would leave tomorrow morning for Barrow via Nome and Kotzebue to attend the memorial services August 15th of Wiley Post and Will Rogers, who were killed near Barrow three years ago.

Coffey is president of the Aero Club of Oregon and White is secretary of the Oregon Sportsmen's Pilots association.

**Accepts Appointment**  
WASHINGTON, Aug. 2.—(AP)—Alvin O. Mark, 719 N. Cottage St., Salem, accepted an appointment of second lieutenant in the quartermaster corps of the reserve.

#### Minority Dispute To Be His Worry



VISCOUNT RUNCIMAN

#### View Pessimistic On Czech Problem

#### Government not Hopeful Runciman's Visit Will Aid Settlement

PRAHA, CZECHOSLOVAKIA, Aug. 2.—(AP)—Pessimism blanketed government hopes tonight of settling Czechoslovakia's pressing German minority problem which Viscount Runciman is coming to study as British unofficial mediator.

The main issue in Czech eyes is whether Czechoslovakia can tolerate a state-within-a-state by granting full autonomy rights to the 3,500,000 Germans within her borders, the measure of freedom demanded by Nazi spokesmen.

In view of the Sudeten German condemnation of the government's proposed statutes, offered to appease the Germans, government quarters were none too optimistic that Lord Runciman's visit would bring the problem nearer peaceful settlement.

Sudeten called the proposed statutes "utterly inadequate."

Czech political circles said it was "becoming clearer and clearer" that the solution lies in Berlin. If Germany wishes to solve the problem peacefully it can be done, they said.

A 15-room hotel suite was reserved for Runciman and his staff and conferences set for him with President Edvard Benes and Premier Milan Hodza August 4.

#### 9000 CCC Youths Assigned Oregon

WASHINGTON, Aug. 2.—(AP)—Nearly 20,000 CCC enrollees from the east will begin leaving eastern camps this week to many western CCC camps in their program of improving the forest conditions of Oregon, Washington and California.

About 50,000 men are being sent into the regions west of the Rockies this year to patrol the government's vast forest domains and the departure this week of 19,600 enrollees will mark the last of the summer contingent to move west.

The bulk of them, 9,000, will be assigned to Oregon.

#### Futility of Special Election Explained to PWA by Court

The county court yesterday reiterated to the PWA its contention that it would be futile to call a special pre-November election on the question of authorizing erection of a new courthouse.

Marion county on the other hand would be able to act quickly in both financing and beginning construction after the general election should the proposal be approved by the people, the court advised C. C. Hockley, regional PWA director, in a letter written at his suggestion.

The letter, renewing the court's request for an extension to December 31, 1938, of the time for starting construction, states it will be followed by letters from Salem newspaper editors and other observers emphasizing the fact that public opinion is opposed to the \$500,000 expense of a special election even though a \$266,000 grant may be at stake.

"Fourteen days is all that would be saved by calling a spe-

#### Moscow Retains Hopes Of Avoiding Conflict With Japanese Nation

Soviet Statesmen Convinced Weakness in Border Dispute Would Hasten Hostilities, so Russian Troops Hold Ground

MOSCOW, Aug. 3.—(Wednesday)—(AP)—The crash of bombs and thunder of artillery in the battle for the strategic height dominating far off Poshiet Bay on the Manchoukuo-Korean-Siberian border evoked an anxious echo in Moscow today.

Soviet statesmen, however, had not relinquished hope of preventing the outbreak of a widespread conflict with Japan. They were convinced that weakness in the face of armed provocation would only hasten the spread of hostilities.

Soviet troops, therefore, were stubbornly standing their ground. Repeatedly, Moscow warned Tokyo of the grave consequences of continuing the Changkung conquest.

Soviet circles, however, discouraged any sensational predictions of inevitable war, and still looked for a peaceful solution.

Tass, official news agency, in an account of yesterday's conflict, said Japanese troops "resumed the offensive" against Changkung in Soviet territory and that fighting for the hill lasted all day.

Soviet artillery fire and air bombing caused the Japanese tremendous losses, as they crossed into Russian territory, the agency reported.

(Japanese reports said Soviet tank, artillery and airplane attacks on the disputed point held by Japanese were driven back.)

Reports of flights of Soviet bombers over Korean and Manchoukuo territories which were circulated by Japanese agencies and newspapers, Tass said, were "emphatically refuted by competent Soviet circles."

#### Chinese Cut Dike To Halt Japanese

#### Japanese Report Farming Lands Flooded in Area Held by Troops

SHANGHAI, Aug. 3.—(Wednesday)—(AP)—Chinese were reported today to have cut dikes of the mighty Yangtze river to halt the steady advance of Japanese against Hankow, China's provisional capital.

Japanese said a large area of farm land was flooded when Chinese broke the river's retaining walls 125 miles downstream from Hankow in the area where Japanese had just announced capture of a town which placed advance guards astride a modern highway leading into the interior.

The break was 100 miles above Klukiang, important river port. Twenty-five miles north of Klukiang, Japanese reported entering Hwangmei "virtually without opposition" to obtain control of the highway to Hankow.

In severing Yangtze dikes, Chinese repeated the strategy by which they halted the Japanese attack on Chengchow, railway junction 300 miles north of Hankow. Japanese had planned to use Chengchow as the base for a drive southward along the Peking-Hankow railway when Chinese breached Yellow river dikes, flooding the area.

The settlement made in Bakery Strike

PORTLAND, Ore., Aug. 2.—(AP)—A strike at the Davidson Bakery company was ended tonight with the signing of a contract with the Bakers' union. The plant reopened immediately.

Details of the settlement were not disclosed.

The Wholesale Bakery Drivers' union, charging the company attempted to place them on a commission basis, joined the Bakers' union in striking earlier today.

The Bakers' group asserted the firm worked its employees 40 hours a week compared with 36 at other bakeries. E. F. Davidson, firm president, said the plant closed because "union officials refuse to include a fair arbitration clause in their agreement."

**Curry County to Seek Grant for Courthouse**

GOLD BEACH, Aug. 2.—(AP)—The Curry county court received authorization from the taxpayers today to apply for a \$45,000 PWA grant to construct a courthouse.

The total cost was estimated at \$100,000, subject to the approval of a bond issue to meet the cost of the county's share.

#### Campaign Probers Slap at Kentucky

#### Say Use of Public Funds in Politics Threat to Free Ballot

WASHINGTON, Aug. 2.—(AP)—The senate campaign expenditures committee asserted today that political use of public funds in Kentucky's white-hot senatorial primary has become a threat to "the right of the people to a free and unpoluted ballot."

The committee applied its bluntly-worded criticism to tactics employed on behalf of both candidates in the democratic race—Alben Barkley, the majority leader of the senate, and A. B. Chandler, governor of Kentucky.

Without mentioning names, the senate group said, "it is certain that organized efforts have been and are being made to control the vote in those counties where that contributions have been sought and obtained from federal employes, in behalf of one of the senatorial candidates."

On the other hand, the committee reported, "it is equally certain that state officials charged in part with the distribution of federal funds for old age assistance and for unemployment compensation have been required to contribute from their salaries and of their services in the interest of another candidate for the United States senate."

Termining the situation "deplorable," the committee said the facts it had found in Kentucky "should arouse the conscience of the country."

#### Seek Plans Grant On Valley Project

PORTLAND, Aug. 2.—(AP)—A \$200,000 application to the PWA was filed by the Willamette valley project committee today to prepare surveys in readiness for flood control, navigation and irrigation work.

Congress has tentatively approved the vast project but made no appropriation.

The survey work would be carried on by the army engineers.

The project committee is asking the US army engineers to submit the application for funds to the PWA to finance preparation of working plans for major project units. Senator Douglas McKay, chairman, said last night.

Allocation of the money as requested would mean that plans would be in readiness whenever congress appropriated money to start the project.

PORTLAND, Ore., Aug. 2.—(AP)—The district council of the AFL lumber and sawmill workers' union asked six sawmills today to sign closed shop agreements.

The plan would be similar to the one accepted by the West Oregon company. The CIO immediately established a picket line at the West Oregon yards and dock and prevented loading 2,500,000 board feet of lumber on the schooner W. R. Chamberline, Jr.

The AFL claimed a majority at all six plants.

**Chinese Boy Dies From Shot Wound**

ASTORIA, Ore., Aug. 2.—(AP)—Kenneth Lee, 17-year-old Chinese Altona cannery worker, was killed today when a gun in the hands of Robert Goon, 24, Chinese, was fired accidentally while the pair struggled to extricate a jammed cartridge.

Lee died in a boat en route to a hospital here.

**Scio Request Received**

PORTLAND, Ore., Aug. 2.—(AP)—The PWA regional office received an application today from Scio for a grant of \$9327 for construction of a \$20,727 school building.

#### Zoe Stockton Condemnation Suit Ordered

Owner of Summer Street Property Decides not to Accept Offer

Demurrer Will Be Filed by McMahan to Order of Mandamus

Condemnation of the Zoe Stockton property at 274 North Summer street was ordered by the state capitol reconstruction commission yesterday after Miss Stockton had announced a decision not to accept an offer of \$9,740. The property is the last in the two blocks bordering the Summer street capitol approach to be bought by the commission at present.

The order for another court action came on the eve of the deadline for the response in the supreme court by Circuit Judge L. H. McMahan to the commission's mandamus petition to force him to withdraw from the Boeschen condemnation case and allow an outside judge to take charge.

Judge McMahan will file a demurrer attacking sufficiency of the petition, he announced last night. It will be supported by the record of the capitol group condemnation proceedings in his court.

Unless the supreme court chooses to hold a special sitting, no decision will be handed down until it reconvenes in September after its summer recess.

The mandamus petition is based on McMahan's refusal to recognize affidavits of prejudice and motions for change of judge filed against him by Assistant Attorney General J. M. Devers for the capitol commission and by Rex Kimmell, assistant attorney general, personally. Devers asserted McMahan had criticized the commission and questioned its good intentions.

Kimmell alleged the judge had accused him of ungentlemanly conduct and professional incompetence.

Judge McMahan subsequently entered an order declaring the motions "sham and frivolous and not made in good faith" and struck them from the record.

#### NY Will Welcome Corrigan Friday

NEW YORK, Aug. 2.—(AP)—New York's official reception for Douglas Corrigan, who flew to Dublin by mistake, will be held Friday, the day after his arrival from Ireland aboard the US liner Manhattan.

That will mean at least two celebrations for Corrigan—one in the harbor Thursday and a parade up lower Broadway Friday.

Stranger McGuire, deputy New York county clerk and president of the American-Irish historical society, was arranging the final details for the celebration. After the city hall reception Corrigan will be honor guest at a luncheon of the advertising club.

Newark, N.J., plans to give Corrigan an official reception on Monday.

#### Seek Closed Shop In Six Sawmills

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#### Heated Tennessee Primary Race Brings Senate Probe of Tactics



PRENTICE COOPER

Tennessee's hotly contested democratic primary is the target for a senatorial investigation on grounds that unethical tactics have been used in collecting and spending campaign monies. The primary this weekend is also in the spotlight because it has thrust the powerful political machine headed by Ed Crump, Memphis "boss," into a fight with two of its bitterest foes. In the gubernatorial race, Crump is backing Prentice Cooper against Gov. Gordon Browning. In the contest for the democratic nomination for senator, Crump is backing Thomas against Senator Tom Berry and J. Ridley Mitchell, independent democrat.

#### Order Wider Hunt For Lost Clipper

Search to Cover Ocean Area North of Spot of Last Report

MANILA, Aug. 3.—(Wednesday)—(AP)—Still hopeful that 15 persons aboard the Hawaii Clipper might be alive, drifting with ocean currents, in the flying boat which disappeared five days ago, naval officers ordered a widened search today by their planes and surface craft.

They directed the search to be swung northward of the place above the vast Pacific where at 12:09 p. m. Friday the Clipper in a last routine radio report said she was flying at 9,100 feet in rain about 500 miles from Manila on the Guam leg of her flight from Alameda, Calif.

Samples picked up by the army transport Meigs Saturday from an oil patch on the waves some 400 miles east of San Bernardino Strait were turned over to a navy destroyer to be brought to Manila for analysis.

Officials hoped that the analysis would show whether the samples contained aviation gasoline or aviation oil. If they do, it will almost prove they came from the Clipper, since no other planes were that far seaward.

#### First Hop Picker Requests Are Had

PORTLAND, Aug. 2.—(AP)—The state employment office said today it had received its first request for hop pickers and opened registration for pickers.

A few yards in the Independence-Salem area have started picking, the employment office said. Registration is being taken at Portland, Oregon City, Salem, Albany, Corvallis, Dallas and McMinnville.

#### Blind Girl Won't Leave Ship Without Dog Banned by Law

LONDON, Aug. 2.—(AP)—An American blind girl, weeping aboard her ship in the Thames, said tonight she had appealed to President Roosevelt because British authorities refused permission for her "eyes"—a German police dog guide—to enter England with her.

The girl, Hazel Hurst, 23, of Oneonta, N.Y., arrived yesterday aboard the liner American Merchant. She refused to leave the ship without her dog.

The ministry of agriculture, after "serious consideration," announced the dog could not enter England without a customary six-month quarantine, required to determine whether animals are in good health.

Miss Hurst said she had cabled President Roosevelt to obtain his help in landing—with the dog guide, "Babe."

"I explained," she said, "that I was refused permission to take my dog ashore with me unless it is first quarantined for six months. I am hoping the president will help get the order relaxed before my ship sails Friday.

"Otherwise I am returning to America. I would like permission to stay in an hotel while I am here, but I am not leaving this boat without 'Babe.' It would be like leaving my eyes behind me."

Miss Hurst, attractive in a print dress, had been crying. "It is the first time in my life I have felt blind," she said. "I don't feel safe being guided by a human being." She asserted she had had the dog in ocular contact against rabies.

An agriculture ministry official said of the case: "We cannot make an exception."

#### But Also Wins Approval From West Virginia

Dodd, Self-Styled FDR Supporter, Defeated 3 to 1 by Smith

Senator Clark Triumphs Easily in Missouri, McGill in Kansas

(By the Associated Press)  
Representative Colgate W. Darden, "Independent" democrat in another Virginia district, unseated Representative Norman W. Hamilton, who had called himself a loyal supporter of the administration, despite a vote against the reorganization bill.

In West Virginia, however, it was a different story. There, three democratic members of the house who have consistently supported the president—Representatives Ramsey, Edmiston and Johnson—received comfortable leads on the basis of slowly accumulating returns.

Senator Clark (D-Mo.), a frequent critic of the new deal, won re-nomination easily, and Senator McGill (D-Kans.), a consistent administration backer, triumphed just as handily.

In Kansas, the Rev. Gerald B. Winrod, denounced by clergymen and political leaders for "nazism" was running third in a four-way race for the republican senatorial nomination.

Ex-Governor Reed leads in Kansas. Former Governor Clyde M. Reed was leading with 34,442 votes, followed by Dallas Knapp with 22,944, Winrod with 15,150 and the Rev. J. C. Fisher with 8,907.

The count was on a basis of 914 of the state's 2,708 precincts, but Reed's victory was considered certain by his supporters.

United in supporting Senator Clark, Missouri's two democratic factions—one led by Governor Stark and the other by Tom Pennington, Kansas City political "boss" fought for party control with a state supreme court seat as the immediate prize.

With the unexpectedly pro-Stark St. Louis vote still to be counted, Pennington's man was leading, 166,485 to 125,158.

Missouri's republican senatorial primary found former Governor Henry S. Caulfield running far ahead of a politically-unknown opponent, Ray E. White of St. Louis.

In the Virginia contests, Smith's vote was 19,501 to 6,520 for Dodd, with 209 of 219 precincts report. Darden received 18,907 votes to Hamilton's 17,283, with all precincts reported.

**Price Regulatory Act Test on Way**

PORTLAND, Aug. 2.—(AP)—The Portland Public Market company re-elected in circuit court today it was prepared to carry out constitutionality test of the state anti-price discrimination act to the supreme court.

A suit filed by the Food Trades Institute, Inc., charged the market sold and advertised sugar for less than the production cost. The market replied the act impaired the obligation of contracts as defined by both federal and state constitutions.

#### Hood River Buys Bonneville Power

HOOD RIVER, Ore., Aug. 2.—(AP)—The city council voted yesterday to purchase 100 kilowatt years of Bonneville dam power, to be used for municipal purposes only.

Cost for the power will be only \$40 annually above the cost of operating the city's municipally-owned plant, which produces an inadequate 65 kilowatt years of energy.

#### Rocks Smash Windows

PORTLAND, Aug. 2.—(AP)—Walter Bachholt complained to police today that rocks were hurled through two windows at his home. He said he was employed at a hotel where the culinary unions called a strike.