It's the vital stake in the battle of Egypt, now approaching a de-claive stage, and in the siege of Sevastopol, where the situation looks bad for the Russians. Dis-patches to the NEWS-REVIEW on the progress of the combats will keep you advised.

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VOL. XXX NO. 273 OF THE EVENING NEWS

AXIS FORCES 65 MILES FROM ALEXANDRIA

PLAN TO ATTACK PUSSIA SEEN AS JAP ARMY MASSES ON MANCHU BORDER

Tokyo Waits Only For Nazi Win Over Reds

Vital Chinese Railroad Seized; Commandos of Australia Stage Raid

(By the Associated Press) Japan was reported massing troops and planes on the Manchukuo border opposite Russian Si-beria today and London military quarters declared there was "very little doubt" that the Japanese were making preparations for an eventual attack on Russia.

Tying in with this report, the Domei (Japanese) news agency announced that Japanese troops had launched a general offensive on the far northwest China front in Sulyuan province—presumab-ly aimed at the destruction of Chinese armies which might em-Japanese thrust into barrass a Japa outer Mongolia.

Outer Mongolia, adjoining both Siberia and the Japanese "puppet state" of Manchukuo, is under Russia's protection.

A London spokesman said there
had been a general movement of
Japanese forces northward and
that the Japanese were evidently

preparing to attack Russia "at their chosen moment."

Chinese reports had repeatedly asserted that Japan was concen-trating upward of 500,000 troops in Manchukuo for a thrust into

Neutral observers, however, be lieved Japan would delay attack-ing Russia until Adolf Hitler's summer offensive had gained a decisive victory over the red ar-mies. There were indications that this offensive now was fast

developing Soviet Russia has established : deep defense zone on the Man-churian border and is strengthening its Siberian defenses facing the Melbourne radio re ported today in a broadcast heard in San Francisco. The Melbourne radio said the information emanated from Chungking.

Chinese Railway Seized

Other far Pacific developments: China war front—a Tokyo (Continued on page 6)

In the Day's News

THE Germans and Italians have taken Matruh—the place where the British were expected to make their first stand in

THE battle of Egypt was started by Rommel at 5 o'clock in the afternoon, when the sun would be worst in British eyes, lighting in constal streams and (Duck hunters will understand what this means. A bird coring in out of the sun is hard to

get because it is hard to see.) It raged all night in the bright desert moonlight and apparent ly all next day. It is described as a swirling battle of swift movement, largely between tanks and MOBILE artillery (presumably anti-tank guns.)

The dispatches add that pitched battles between tanks were comparatively rare.

(ONE guesses from past disclosures that the German tanks OUT-GUN the British and American tanks, which are there fore compelled to avoid shoot-it-

in German tank tactics at Sevasnow stay BEHIND the infantry, like mobile artillery, and fire on

(Continued on page 2)

Half Million Persons Lose U. S. Jobs Or Aid as Congress Eliminates CCC, Cuts Allotments for WPA and NYA

WASHINGTON, June 30.— ed dropping 60,000 persons from (AP)—Nearly 500,000 people lost their jobs or their government aid today by the scrapping or curtail to reduce the number in this activity from 130,000 to 70,000. ment of three depression-born federal agencies that have cost more than \$17,000,000,000.

more than \$17,000,000,000.

Congress abolished the civilian the public works administration conservation corps yesterday by which during the depression loan denying it funds for the fiscal ed and granted more than \$6, year beginning today. The start 000,000,000 to create jobs. of a new government business calendar also saw the works progress administration cut to skeleton form and heavy reductions in the national youth administration

In the background of the transition there was a change of eras

from men hunting jobs to jobs hunting men.

hunting men.

The life of the CCC ended at ment conditions, the corps midnight, and demobilization of some 60,000 enrollees and 15,000 ed yesterday to 60,000 enrollees are likely to come. The money some 60,000 enrollees and 19,000 ed yesterday to 60,000 enrollees civilian employes of the corps began this morning. The WPA, its available last year was \$140,000, appropriation whittled by two thirds from last year, was trimappropriation whittled by two 000. thirds from last year, was trim- 100,000 ming its rolls down from 700,000 fise to 400,000. The NYA, with funds ed also cut by two-thirds, commenc

Seven Measures Slated for Oregon

Vote in November

SALEM, July 1—(AP)—Seven measures will be on Oregon's 1,168,000 persons, with an average of 3,000,000 on its rolls. Last July 1 it was employing the state election division ber had dropped last month to 700,000. The 1941-42 appropriation was \$875,000,000 persons. The WPA spent \$2,250,000,000 in the new and the state of the properties of the properties

Tomorrow is the deadline for

Tomorrow is the deadline for filing completed initiative mea-sures, but the division said it did not expect any more to be filed. The measures to be voted upon in November include only one initiative measure, which was fil-ed yesterday; four proposed con-stitutional amondants. stitutional amendments referred to the people by the legislature; and two laws passed by the legis-lature which were referred to the

people by referendum petitions. The complete list of measures: Initiative providing that all The complete list of measures: Poland in 1939, fell or jumped to his death from the roof of a state income tax revenues in Riverside drive building today. excess of \$7,750,000 a year shall

be used for school purposes A proposed constitutional amendment increasing legislators pay from \$3 a day for 40 days to \$8 a day for 50 days.

A proposed constitutional amendment repealing the article

proposed

fishing in coastal streams and

bays.

A referendum to tax cigarets at two cents per package, the pro-ceeds to be used for old age as-

Douglas War Bond Quota For July Under June Sum

Douglas county's war bond quota for the month of July will be \$5,500 less than was set for the month of June, according to goals set in Washington, D. C., and announced today. All Oregon quotas are slightly reduced and range from \$8,000 for Curry co-unty to \$4,888,200 for Multnomah county. A quota of \$8,865,000 has been set for the entire state. Douglas county was asked for

\$86,000 for the month of June A LONG that line, the Russians report an interesting change according to H. O. Pargeter, war bond sale chairman. There are a topol-where, they say, tanks few outstanding reports, he stat-formerly LED the assaults, but es, and it is believed that they will put Douglas county amon the very few counties of the state to reach the mark set by Wash-

Unspent War Fund Enough For 21/2 Years

Estimate: Deadlock On Farm Measure Unbroken

Senator Byrd (D.-Va.) gave that estimate today of the amount of money already appropriated but unspent for military

He declared the army, navy and other agencies had congres

speed for about 21 years.
A \$42,820,000,000 army supply bill awaited President Roosevelt's signature after its approval by congress yesterday in a session that saw the old fiscal year end with no final agreement reached on a disputed \$680,395,000 farm outlay or a house-approved \$1,-808,669,000 supplemental defense

Byrd fold reporters treasury re-ports indicated the new army bill would swell unexpended bal-ances to a point where more than \$5,000,000,000 monthly could be poured into the military effort for 21 years if congress did not make

said they had no way of ascer-taining the small percentage of that amount which would pay for routine government activities out

(Continued on page 6)

Ex-Polish Envoy Dies in Drop From N. Y. Building

NEW YORK, July 1-(AP) General Boselaw Wieniawa-Dlu-goszewski, Polish ambassador to Italy during the heetic days preceding the German invasion

In its eight and a half

the CCC spent nearly \$3,000,000, 000 putting 3,000,000 youths and war veterans through conserva

In 1935 the corps had an enroll-ment of 520,000 in some 4,000 camps, and spent \$480,000,000. Re-

fiscal period, but congress turn ed thumbs down,

The WPA and its predecessors

1933 more than \$14,000,000,000, employing at various times a to-tal of \$,000,000 persons. The

fiscal year the agency must get

(Continued on Page 6)

school and health programs

The 65-year-old former envoy climbed to the roof of a six-story building clad in pajamas and bedroom slippers, detectives said. His body was found in a vacant lot next door to the building. Detective William Mansfield re-

amendment repealing the article of the constitution providing for the rural credits loan fund.

A proposed constitutional amendment providing that gasoline taxes shall be used exclusively for roads.

A proposed Constitutional Amendment providing that gasoline taxes shall be used exclusively for roads.

A proposed Constitutional Amendment providing that gasoline taxes shall be used exclusively for roads.

A proposed Constitution providing for cently received an appointment as ambassador to Cuba for the Polish-government in exile.

Cash Balance 160 Billion,

WASHINGTON, July 1 .- (AP) Cash balance for the war, \$160, 000,000,000.

sional authority to draw on the treasury for sufficient cash to carry on the war effort at high

the federal emergency relief ad-ministration (FERA) and the civil works administration (CWA) have expended since

a single additional appropriation.

Committee clerks estimated total appropriations in the past six months at \$133,852,000,000, but tion was \$875,000,000. In the next ide the war effort.

Byrd said he was confident that

Tacoma Men Slain in **Quarrel Over Woman**

TACOMA, July 1-(AP)-A quarrel over the affections of a woman was given by police today as the reason for the fatal stab-bing last night of Lester M. Vad-

en, 38, as he walked along a street in a residential area. Police Detective Peter Modahl said Luigi Yaconetti, 49, is being held in connection with the stab bing, which occured as Vaden walked along with a woman identified by Modahl as Ethel Craig. Narrowly escaping the wild slashing by Vaden's assailant, the woman ran into a near by house.

Two Planes Crash, Killing 19 Army Men

Fire Sweeps One Craft, In West Va.; Blast Tears Another, in California

WELCH, W. Va., July 1 .-(AP)-A big airplane, apparently a converted airliner, crashed and burned in the West Virginia mountains near here today with a loss of at least ten lives.

State troopers said that ten bodies, burned beyond recog-nition, had been removed

from the charred hull.

They said the plane had borne insignia of American

The plane crashed in a garden about a half mile from the mining village of Premier, three miles from Welch.

On a belt buckle owned by one was the control of the control o

victim the officers deciphered the name Erwin Stratman, a duffle bag bore the name of Floyd Hyet and the flyleaf of a book had the name of Guy S. Hill. ... Most of the victims were iden-

tified as army personnel by their charred uniforms, the offi

RIVERSIDE, Calif., July 1.-(AP)—An army bomber crashed early today near March field, killing all aboard. Army sources said the craft's normal crew is seven to nine men, and that probably the latter number were on the bomber. Wtinesses said there was a ter-

Winesses said there was a ter-rific explosion after the bomber struck. The plane, the army said, was a B-24 Consolidated type. Spokesmen would not release the names of those aboard or their number, until next of kin had been notified been notified

Beware of Mines Off Oregon Coast, Warning

ASTORIA, Ore., July 1—(AP)
—Coast residents were cautioned today by Commander George Grant of the navy section base here that both foreign and domestic mines might be adrift off the Orean coast. estic mines might the Oregon coast.

Persons sighting mines should stay at least 200 yards from them and report to the section base, he said.

Two Oregon Ranchers Killed by Bull Attacks

VALE, July 1-(AP)-Fred

Intervening Forts Impends **Entire Soviet Front Aflame**

Germans Launch Fresh Drives, Gain Headway In Sevastopol Siege

With Battles

BERLIN (from German broadcasts), July 1.—(AP)— The great Russian fortress and naval base of Sevastopo in the Crimea has fallen to the German and Rumanian armies, Adolf Hitler's high command announced tonight.

KUIBYSHEV, July 1.— (AP)—Major General Zhurvalev, Russian military expert, declared today that Adolf Hitler's present offensives show that the Germans no longer are capable of tackling strategic operations

on a large scale.

The general asserted that the axis forces were worn worn out and that Propaganda Minister Goebbels was try ing to save face by playing up local offensives as vast operations of strategic impor-

(By the Associated Press) The whole soviet front was re-ported affame with gigantic bat-les today. Hitler's field headquarters re-

ported fresh gains in the bloody siege of Sevastopol, in the Cri-mea, and indicated that the German armies had launched a new offensive at various points on the central (Moscow) front.

Other nazi aitacks were devel oping around Kharkov, Kursk ind Kolkhov.

Dispatches to Red Star, the so

Dispatches to Red Star, the so-vict army newspaper, said a Ger-man attempt to launch an offen-sive near Gzhatsk, 100 miles west of Moscow, had been frustrated by powerful Russian counter-attacks.

In the Crimea, German mili-

(Continued on page 6)

Nazi Death Sentence Meted to 115 Persons

LONDON, July 1.—(AP)— Courts martial in Prague and Bruenn sentenced 115 persons to death yesterday, the Vichy radio, quoting reports from Budapest, said today.

VALE, July 1—(AP)—Fred Russell, one of the first ranchiers to settle on the Vale irrigation project 10 years ago, was fatally gored by a bull on the Chadwick ranch near Ontario.

He was one of two Oregon men to die in similar mishaps this week, Raymond B. Lowe, 56, of Myrtle Point being the other.

July 1—(AP)—Fred Russell, reports from Budapest, said today.

The sentences were given on charges of having been in contact with enemy agents, for approving the attack on the late gestapo leader Reinhard Heydrich, for failing to report to the police or for illegal possession of arms, the French radio said.

Ships Sunk In West Atlantic by Subs Reach 328

Decisive Battle at Last of

By The Associated Press The sinking of a medium sized Panamanian cargo ship by an Axis submarine off the Atlantic coast sent the toll of western Al-lantic ship losses to 328 today in the unofficial Associated Press tabulation.

This loss and the announce ment late yesterday of the tor-pedoing of a small Canadian merchant ship in the Caribbean were the most recent announced

by the navy.
One member of the Panaman-lan's crew of 32 was lost while the Canadian vessel sank so rapidly after two torpedo hits that only six men survived out of 30. In the three sinkings an nounced yesterday, the loss of life totalled 67.

Douglas Firms in Payroll Bond Buy Plan Total 81

Employes in 81 Douglas county firms have enrolled in the pay-roll deduction plan for purchase of war bonds, H. O. Pargeter, county chairman, reported today. Walter Olmscheid, in charge of the enrollment work in Roseburg, reports that he accepted. reports that he expects to com-plete contacts with all firms by Thursday evening. In the event any firms have not been contacted, they are requested to call Mr. Olmscheid at once. During the next 10 days, Mr.

During the next 10 days, Mr. Pargeter reports, a concerted drive will be made in the area outside Roseburg, with the view of completing the payroll allotment campaign by July 12.

Due to the fact that Saturday, July 4, is a holiday there will be no program at the victory center.

no program at the victory center, this week, the chairman states. However, a good program is be-ing arrfanged for Saturday July

Firms so far listed on the pay-roll allotment honor roll are as

follows:

Bagley Crate and Box Co., J. Paul Campbell Lumber Co., Carr's Variety Store, Chapman's Drug Store, Coa Cola Bottling Co., Coen Lumber Co., Commercial Abstract Co., Cy's Place, Denn Gerretson Co., Si Dillard Motor Co., Douglas Abstract Co., Douglas Credit Assn., W. R. Bernal Douglas Cre Frank's Grocery, Fullerton Can-dy Co., Nathan Fullerton, Goet-tel's Variety Store, Grimm's Grocery, Hansen Motor Co. Harry sen and Wakefield, Harths Tog gery, Horns Super Creamery Roy Hutchings Model Bakery Joelson Lumber Co., Josse Furniture Co., Judd's Furniture Co., H. W. Kissiling Lumber Mill, Geo. Kohlhagen, K. R. N. R. Radio Station, Robert LeBleu, Lockwood Motors Inc., Lowell's, Marsters Drug Store, McKean and Carstens, L. W. Metzger, Montgomery Ward & Co., Morgan's Grocery, Myrtle-wood Novelty Shop, News Review Co., Package Grocery, Pacific Tel. and Tel. Co., Parkinson's Food Store, J. C. Pen, Parkinson's Food Store, J. C. Pen, oelson Lumber Co., Josee Furni Parkinson's Food Store, J. C. Pen-ny Co., Pioneer Drug Store, Ore-gon Turkey Growers, Jarvis Robertson Associated Station, Rose burg Chamber of Commerce Roseburg Chieftan, Roseburg Dairy, Roseburg Motor Co., Rose burg Pharmacy, Roseburg Sand and Gravel Co., Roseburg Sani-tary Market, H. L. Boucock, Rose Investment Co., Roy's Mens Store, John Runyan, Mr. A. F. Saar, Inc., Safeway Stores, Sand-wich Shop, Cee'l Black, Shell Oil Co., Standard Oil Co., Sullivan's Cafe, Umpqua Cleaners, Umpqua Dairy Lunch, Umpqua Dairy Pro-ducts Co., Umpqua Savings and Loan Association, Union Garage (Caskey Bros.), United States Na-tional Bank, Valley Produce, Vel-

ma's Beauty Shop, Maurice Web-er, Weber's Bakery, West Doug-las Electric Co., Western Auto Supply Co., F. W. Woolworth Co.,

We'll Defeat Foe, Assertion Of Auchinleck

U. S. Carrier Reaches Isle Of Malta With Planes to Aid British Defense

(By the Associated Press)
German field headquarters asserted today that axis troops were attacking El Alamein, only 65 miles west of Britain's great Mediterranean naval base at Alexandria, and as the eight-dayold battle of Egypt thus neared its climax, official London quarters hinted that the Suez canal might be destroyed.

might be destroyed.

The nazi command described El Alamein as the last British fortification guarding Alexan-

The British acknowledged that axis spearhead had raced beyond El Daba, 35 miles west of El Alamein, and indicated that the hour of a decisive battle was approach

In an order of the day, Gen. Sir Claude Auchinleck, the Brit-ish commander in chief in the Middle East, declared:

Middle East, declared;

"The battle is not over yet and will not be over until we have defeated the enemy, and defeat him we will."

London quarters intimated that the Suez canal would not be left on workable condition if the British should be forced to retreat to the Red sea and beyond.

The canal would not be blocked unless the loss of the whole

unless the loss of the whole Middle East became inevitable, however, a British source said, because it is extremely important to British naval operations in that area.

U. S. Planes Ald Malta

Closely linked with the defense of Egypt, Britnin's embattled Mediterranean island citadel of Malta was declared by the American navy today to have received strong reinforcements of planes through American help.

Malta, the most-bombed spot in the world, is strategically imporsupply lines to north Africa and Egypt.

A navy communique said the 14,700 ton U. S. aircraft carrier Wasp made a series of trips through the dangerous waters of the Mediterranean to deliver the planes, which were quickly man-ned by British RAF pilots and in-flicted "considerable losses" on he enemy.

"The expertly timed arrival of reinforcement planes on the Wasp was most fortunate for the heroic defenders of the British (Continued on page 6)

LIBERTY LIMERICKS



A red-headed cop named O'Brien. Said-"All of us folks should be trvin'

To save up our pay An' put it away In Defense Bonds-they're surely worth buyin'!"

Nazi Saboteurs Frustrated by Vigilance of FBI







Pictured at left are Edward J. Kerling and John Dasch, two of the eight men seized last week by the FBI as leaders of a nazi sabotage group landed on the eastern U. S. coast by enemy submarines. At right are shown electric blasting caps, pen and pencil delay much-enisms and other sabotage materials which fell into the hands of the FBI in its roundup, which also netted several alleged aides of the eight men in the U. S. The prisoners carried about \$175,000 in American money, evidently designed for use in bribery efforts to gain access to war material plants, locations of which were found on maps in their possession.