

Russo-German Conflict Seen as Aid to Britain in Battle to Keep Hitler From Invasion Try

By KIRKE L. SIMPSON
Special To The Statesman

Whatever its final outcome, the Russo-German war has afforded Britain new and solid grounds for hope that the tide of her battle for survival has turned definitely in her favor.

Unless the Germans defeat Russia more swiftly and crushingly than they overpowered France, the low countries, Yugoslavia and Greece, it seems impossible that Hitler can mass again this year in the west for a death blow at England. And by next spring, American aid-for-Britain, whatever final form it takes, should reach such proportions as to insure the British air as well as sea superiority over their foes.

That expectation prompted Prime Minister Churchill to describe the Nazi attack on Russia as the fourth great "elliptical" of the war. The others were the fall of France, British defeat of German attempts to gain air mastery over England, and encirclement of the American lend-lease policy.

Churchill said that Hitler hoped to finish Russia off before winter and turn again on England before American sea and air power intervened to overbalance the odds against him. That may be the Hitler motive; but chances of making it good in time to recoup his oil and food stocks, reshift his military power to the west and launch an all-out invasion of England before the onset of winter do not seem bright.

The Germans are said to entertain the hope of shattering Russian defenses in three weeks, but that does not sound realistic. Distances are too vast, means of transportation too limited, Russian armed forces too great.

It should be recalled that although German forces in the World War dealt terrible blows at Russian armies, it was not defeat in the field that cracked Russia then but a revolution at home.

Berlin may be hoping for that again. Already the Baltic states of Latvia, Lithuania and Estonia, so recently annexed by Moscow, are stirring against their soviet masters. Their release from Russian domination by Nazi arms is foreshadowed.

4H Club Leaders Elect Officers

Mrs. Carmelite Weddle of Salem was elected corresponding secretary of the State 4-H Club Leaders' association during annual balloting held last week in connection with the 4H summer session at Corvallis.

New president of the association, which meets at the summer session, the Oregon State fair and the Pacific International Livestock show, is Mrs. E. Wright of Portland; first vice president, Mrs. C. E. Elliott of Malheur county; second vice president, Mrs. Harriet Ford of Washington county; recording secretary, Mrs. Charline Edwards of Benton county.

Herbert Booth of Marion county was selected to represent junior club leaders on the committee at large picked by the president; Mrs. Mary Weitenhiller of Burns is to represent county school superintendent, and William Eastle of Umatilla county is third member of the committee.

Navy to Place Workers in SF

Will Supply Keymen, Shipyard Strike of Union Machinists

(Continued from Page 1)

been receiving \$1 with double time.

Admiral J. W. Greenleaf, 15th naval district commander, announced civil service lists were being opened to machinists in an attempt to get full production on \$500,000,000 of defense orders in coast shipyards.

Earlier, he had asked strike leaders to recommend an immediate return to work, with points of controversy in the strike to be negotiated later. Strike leaders replied that his proposal was "totally unsatisfactory."

Among other labor developments was a charge by a CIO leader that the AFL teamsters union had imported "not less than 300 hoodlums" to Minneapolis to harass a recently-chartered CIO union of truck drivers.

Frank Barnhart, mid-west regional director for the CIO's united construction workers' organizing committee, wired Washington headquarters: "Mobs of imported hoodlums are raiding local truck terminals and warehouses at the point of knife and gun forcing CIO employees to wear AFL teamster buttons and sign AFL pledge cards."

Work was resumed on a \$2,000,000 flood control dam on the Petit Jean river near Magazine, Ark., where 175 CIO workers walked out last Tuesday. The minimum wage for laborers was advanced 5 cents to 35 cents an hour under a settlement agreement.

A conference of state and federal mediators will be held today in an effort to settle the week-old strike of AFL machinists at the Piper Aircraft corporation, Lock Haven, Pa., making planes used in the government's civilian pilot training program.

EUGENE, June 23 (AP)—Failure of the Los Angeles marine clerks union (CIO) to cooperate with employers in fulfillment of a contract increased employees' costs unreasonably, Wayne L. Morse, Pacific coast waterfront arbiter, ruled Monday.

He sustained the employers in their request that more clerks be added to the Los Angeles harbor registration list.

Payment of overtime would not have been necessary "to such a degree" had there been cooperation, Morse said.

"This arbiter has, on many occasions, supported labor's demands for overtime pay when employers have sought to work labor beyond a reasonable number of straight-time hours," he said. "However, this arbitrator has also rejected attempts on the part of unions to make use of various devices and strategies aimed at an artificial creation of work opportunities with resulting high overtime costs."

PORTLAND, June 23 (AP)—AFL upholders, on strike at four Portland casket factories since June 2, are to return to work Tuesday.

Harrold F. Cook, union business agent, said an employers' offer of increased wages was accepted Sunday. Vacations with pay, elimination of Saturday work and wage increase from 87½ to 95 cents an hour for men and from 60 to 65 cents for women were included.

KNOXVILLE, Tenn., June 23 (AP)—Union pickets, wearing sheets and carrying placards reading "Mahatma Gandhi wins with non-violence; so will we," paraded sidewalks today near the Standard knitting mills where a strike has been in progress for nearly a month.

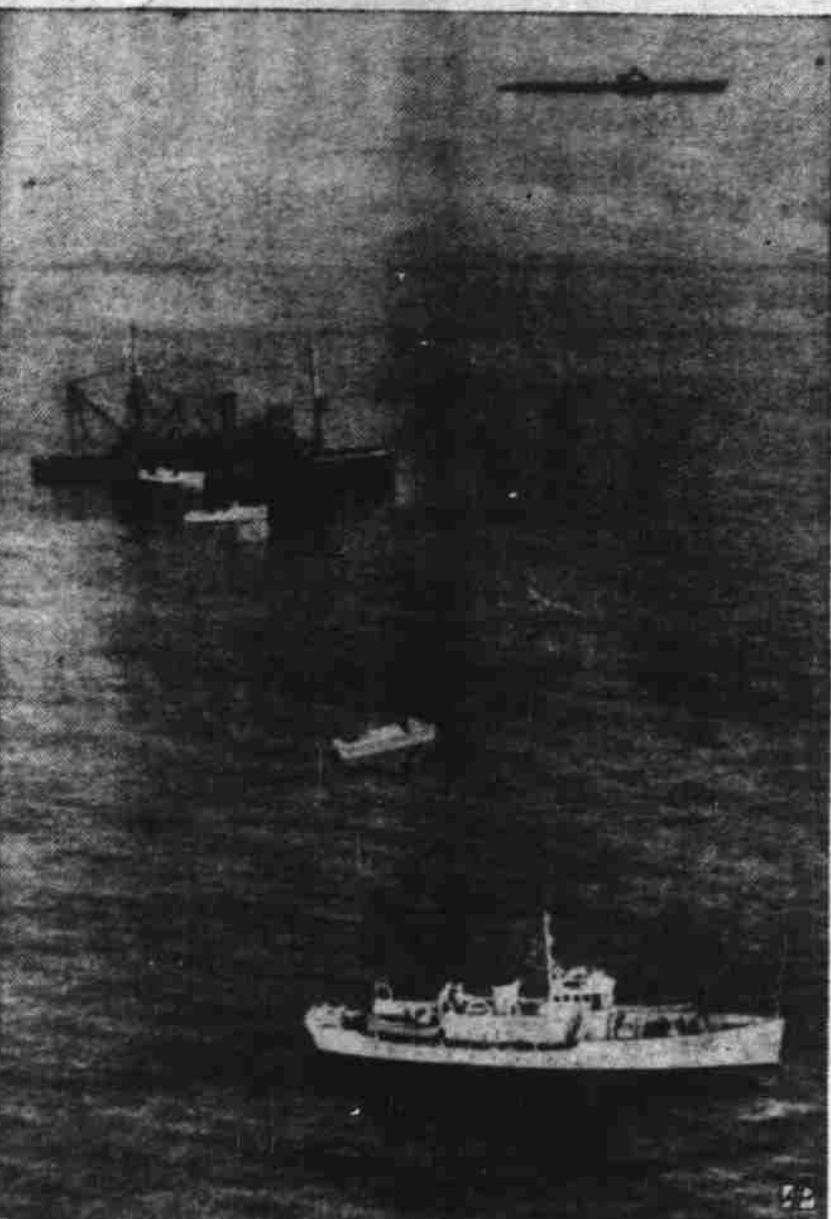
Barbecue Pit For Soldiers

PORTLAND, June 23 (AP)—A barbecue pit block and a half long will provide meat for troops of the 41st division, expected to camp here at Swan island airport July 9 to 13 on their way north from California maneuvers.

Mayor Earl Riley said the 6500 men would parade through the downtown district once while here.

Salem Soldier Shifted
CAMP GRANT, Ill., June 23 (AP)—Robley M. Holman, Salem, Ore., has been transferred from Camp Grant to the 215th General hospital, Fort Custer, Mich.

Where Ill-Fated Sub Rests at Sea



A US navy submarine (top), the rescue ship Falcon (center), and the coast guard cutter Harriet Lane (bottom), lie motionless at sea off Portsmouth, N.H., over the approximate spot where the navy submarine O-9 went down in 440 feet of water with 33 men aboard, waiting to begin salvage operations. In the lower picture George Crocker, 27, Seattle, Wash., goes over the side of the Falcon in a diving rig in an attempt to reach the submarine resting on the ocean's bottom. He was forced to give up after two attempts.

Report Shows Salem Retail Trade Gains

SAN FRANCISCO, June 23 (AP)—Booming wage payments spelled a rising tide of retail trade in the far west last month.

Ten western states with more than \$91,000,000 in sales at 7898 independent stores chalked up increases that ran from 6 to 27 percent over the 1940 month.

Trade gains by states: percentages:

State	May	5 months
California	27	18
Oregon	23	19
Washington	26	26
Idaho	12	7

Automobiles ran off with leading honors in those states where preliminary data provided the basis for a census bureau report. In California auto dealers reported a 79 percent rise in dollar value of sales. Oregon had a 51 percent gain in this division, and Washington 56.

Here are the gains by cities over the 1940 month:

Oregon — Portland 23 percent gain, Salem 27, Eugene 27, Medford 22.

Washington—Seattle 32, Spokane 13, Tacoma 38, Bellingham 25, Everett 46, Yakima 17, Walla Walla 29.

Idaho—Boise 16, Pocatello 23.

Small communities under 2500 population recorded gains of 15 percent in Oregon, 14 in Washington and five in Idaho.

Boys' State Is Opened
CORVALLIS, June 23 (AP)—With 300 youths registering for a week of citizenship training, the fifth annual Beaver Boys' State, sponsored by the Oregon American Legion opened here Sunday.

Crabb Rites Set
PORTLAND, Ore., June 23 (AP)—Funeral services were held Monday for John Emmitt Crabb, 79, early-day Indian scout, who died here.

FREE DANCE
AT PIONEER CAMP
Wednesday Night
5½ Miles North on 99E
Every Night

British Keep Hammering on French Coast

Leningrad Seen Big Objective of Northern Thrust by Germany

(Continued from Page 1)

Ingrat, Russia's second city and great naval base.

A thrust to Leningrad would give the Germans an entire Baltic coast, along which lay the three Baltic states of Lithuania, Estonia and Latvia which Russia absorbed after the war began.

The Russian said about 300 German tanks were destroyed by Russian artillery fire in the Shalal fighting.

The Russians said they captured 5000 Germans.

While the red army fought the German invaders the British indirectly aided the soviets by hammering Germany from the west in an accelerated aerial offensive.

Official news dealing with the long land front from the Baltic to the Black seas was fragmentary.

But, from the available accounts, this appeared to be the situation at the end of the second day of this strange and fateful battle — this holy war, as the Germans called it; this "people's war," as the Russians described it.

Nazi troops, pushing forward across the face of Europe from northern to southern sea, apparently were well within soviet territory in some areas, particularly in what was once eastern Poland, and what was until last year Lithuania.

Too, the German radio reported that other Nazi forces had forced a crossing on the Prut river, which divides German-allied Rumania and Russia, and were continuing the advance under protection of artillery and bomber plane attacks which had destroyed nearby soviet border fortification. Some Rumanian troops probably were involved.

Military information reaching Vichy, France, indicated that the Rumanians were assaulting the Russians head-on at the frontier of the lost Rumanian province of Bessarabia with the Soviet Ukraine.

The Germans were reported in Vichy to have captured three Polish cities — Lemberg (Lwow), Grodno and Kristinopol.

Other semi-official and unofficial German reports told of detachments of Russian prisoners already marching to the rear and said the German armored divisions were everywhere advancing. There were many unconfirmed rumors of Russian cities seized or under heavy bombardment.

The Nazi high command said simply that all operations were "proceeding on schedule and successfully." This sweeping statement, emphasizing a time-table quality in the German campaign, implied considerable satisfaction with the way matters were going for German armies.

Moscow, which earlier had acknowledged German penetrations of 6 to 10 miles on the first day of fighting, stressed activity on the home front. It was stated that the soviet workers had pledged to provide every war tool necessary "for the final annihilation of the fascist aggressors."

In Spain, where the government of General Francisco Franco remembered the aid Moscow gave to the republicans in that country's civil war, a government spokesman said significantly that there had been no final decision "yet" as to whether a volunteer Spanish expeditionary force would be sent against the Russians.

The Spanish cabinet was called in emergency session and there were indications that this subject was up.

The spokesman said that if Spaniards joined the struggle they would do so not to aid anyone else but simply to strike what blows were possible against the soviet.

British promises of aid to the soviet — and there had been nothing to indicate that this aid would be more than technical and economic — were played up.

Behind the actual fighting, and of at least equal importance, was a German-Russian struggle for control of the Baltic states of Estonia, Latvia and Lithuania and less directly for the help and favor of Finland.

There were radio reports from Kaunas that a pro-German government had been installed by coup to strike the Russians at the rear. Anti-soviet quarters also put about reports that Estonia and Latvia were getting ready to turn on the soviet — which took all three countries about a year ago.

Finland, despite the fact that Adolf Hitler had termed that country his ally, stated officially that it would stay neutral as long as possible. There was no fighting on Finnish territory.

Higher Estate and Gift Taxes Proposed in New Revenue Plan

WASHINGTON, June 23 (AP)—Higher estate and gift taxes, estimated to yield approximately \$113,700,000 more than current rates, were recommended tentatively Monday by the house ways and means committee as part of its plan to raise \$3,500,000 additional revenue annually.

The committee figured that these levies, together with the new individual income and corporation taxes already tentatively agreed upon, would produce a total of about \$2,594,900,000.

It is proposed to raise the remaining \$995,000,000 needed to attain the \$3,500,000,000 goal by excess taxes which are levies on whiskey, beer, new automobiles and refrigerators. Taxes on soft drinks and higher rates on gasoline and theater tickets are among suggestions the committee has received.

Because of the death of Senator Harrison (D-Miss.), it was decided to defer action on excises at least until Friday. Some members said they hoped to complete action on the entire bill by the end of this week.

Chairman Doughton (D-NC) announced that in recommending the new estate and gift levies, the committee had decided to retain the present lump sum exemption of \$40,000 for both estate and gift taxes.

The new rates would increase taxes most sharply on relatively small estates. The committee took the view, it was said, that large estates already were heavily taxed.

On estates between \$45,000 and \$50,000, for instance, the rate was jumped 300 percent — from two percent to six percent.

Illustrating how the new levies would apply, the committee said that a net estate of \$50,000, before the exemption of \$40,000 had been deducted, would pay a tax of \$495 as compared to \$220 under the present rate, an increase of 125 percent. A net estate of \$1,000,000 would pay \$282,405 instead of \$228,780.

The highest effective rate under the new program would be 72.7 under which a net estate of \$100,000,000 would pay \$72,685,885 compared to 72,521,380 under present law.

Rites Set for State Pioneer

PORTLAND, June 23 (AP)—Funeral services are to be held here Tuesday for August Frederick Shultz, 93, southern Oregon pioneer, who died here Sunday.

In the early '80s he operated the flour mill at Cottage Grove and later owned mills at Canyonville, Phoenix, Ashland and Jefferson. He returned in 1907 and had lived here for 30 years. Surviving are one daughter and two sons.

long as possible. There was no fighting on Finnish territory.

In Berlin the Germans professed to know nothing of an insurgent movement in Lithuania — a perhaps natural disclaimer. Moscow broadcast claims that in both Estonia and Latvia there had been mass meetings of citizens promising to fight "for comrade Stalin."

The question of just how far Britain — and the United States — would aid Russia became of the most importance.

In one direct military sense, the British were giving the Russians considerable support already.

Royal air force attacks on German territory went on heavily during the day in continuation of a powerful British aerial offensive which, said an American army air observer, already had given the British "absolute supremacy" in the air and had left in Germany's industrial areas far greater destruction than ever was wrought in London by the Nazis.

This suggested that the diversion of German aircraft to the Russian front had been very costly, and that the return of some detachments of Nazi warplanes to the west might be forced. Russian sources in London expressed "heartiest thanks" for the effectiveness of the British aerial campaign.

In the fighting in Africa and the middle east these were the high-spots:

British and Free French forces reached the outskirts of Palmyra in Syria, 140 miles northeast of captured Damascus, and heavily engaged the forces of Vichy France there.

The Syrian fighting took on particular importance since its theatre is on the southern flank of the Russian-German battle front.

In the cleanup of Italian Ethiopia British imperials reported the capture of 8000 additional fascist soldiers, along with a corps commander, two divisional commanders and eight brigadiers.

Stimson Aide Narrows Bill

Patterson Asks Speed in Property Seizure Measure Passage

(Continued from Page 1)

was intended to allay any fears that "we would come up and ask a man for his watch."

Land promised "more ships, and faster" if the bill is enacted and declared that "time is the big, important factor." When Senator Downey (D-Calif) demurred that the property requisitioning would cause business "dislocations" and termed it "a sorry mess," land replied:

"Most wars are sorry messes, and we're almost in this one."

A pessimistic view of peace prospects was voiced also by Secretary of Commerce Jones in urging a house committee to approve the \$285,000,000 St. Lawrence seaway and power project.

"I can see nothing in the future, at least as far as our generation is concerned, but a future in which war is likely to recur at any time," Jones said, adding that "we cannot have too many inland waterways in the interest of commerce and defense."

The day also brought the resignation of C. W. Kellogg, president of the Edison Electric institute, as chief electrical power consultant of the office of production management. Kellogg's resignation was entailed by a new rule adopted last Tuesday by Directors William S. Knudsen and Sidney Hillman, and disclosed only today, barring the employment in OPM of trade association officials. The institute is the Trade Association of Utility companies.

Another OPM resignation was that of Samuel Richard Fuller, Jr., as chief of the materials branch. The OPM announcement said merely that he would return to the presidency of the North American Rayon corporation at Elizabethton, Tenn.

Another development was the announcement of Leon Henderson, price administrator, that the securities commission would closely scrutinize unregulated commodity markets and make frequent reports to him to curb "undue speculative activity" in tin, lead, zinc, copper, silk, hides, rubber, pepper, cocoa, coffee and sugar.

Call Board

ELSONORE Today—Madelaine Carroll, Fred MacGregor in "One Night in Lisbon," Robert Sterling, Van Heflin in "The Get-Away."

Thursday—Billings & Armstrong theatre revue on stage. Ann Shirley, Richard Carlson in "West Point Widow."

Saturday—Robert Taylor, Maureen O'Sullivan in "Billy the Kid." Keith Douglas, Lucille Fairbanks in "Passage from Hongkong."

GRAND Today—Herbert Marshall, Virginia Bruce in "Adventure in Washington." Frank Craven, Edgar Buchanan in "The Richest Man in Town." Wednesday—Rudy Vallee, Helen Parrish in "Too Many Blondes." Tim Holt in "Robbers of the Range." Saturday—Priscilla Lane, Ronald Reagan in "Million Dollar Baby." Don Barry, Al St. John in "Texas Terror."

HOLLYWOOD Today—Sabu in "The Thief of Bagdad." Johnny Downs, Barbara Allen, Jerry Colonna in "Melody and Moonlight." Thursday—John Howard, Ellen Drew, Akim Tamiroff in "Texas Rangers Ride Again." Jeanette MacDonald, Nelson Eddy in "Bitter Sweet."

LIBERTY Today—Gloria Jean, Robert Stark in "Little Bit of Heaven." Lupe Velez in "Mexican Spitfire Out West." Wednesday—Hugh Herbert, Anita Louise in "The Villain Still Pursued Her." Bill Elliott in "Freaky Schoolers."

Friday—Don Barry in "One Man's Law." Kent Taylor, Linda Hayes in "I Am Still Alive."

STATE Today—Don Ameche, Betty Grable, Carmen Miranda in "Down Argentine Way." Wednesday—Cary Grant, Douglas Fairbanks Jr. in "Gunga Din." Time 1:30-3:30-5:30-7:30-9:30.

Added Mickey Mouse cartoon.

HOLLYWOOD 15 Today and Wed. "The Thief of Bagdad" in Magic Technicolor. CONRAD VICTOR, SARU and Second Feature.

Don Ameche, Betty Grable, Carmen Miranda in "Down Argentine Way." Time 8:15-9:35-10:35. 2nd Hit: Victor McLaglen, Douglas Fairbanks Jr. in "Gunga Din." Time 1:30-3:30-5:30-7:30-9:30. Added Mickey Mouse cartoon.

FDR Says Red Doctrine Bad, Nazis Worse

Declares Hitler Army Chief Menace and Aid Is Help to US

(Continued from Page 1)

government. "Welles said non-aggression pacts negotiated by Germany are 'but a symbol of deceit' and 'constitute a dire warning on the part of Germany of hostile and murderous intent.'"

Recalling public statements by President Roosevelt that the United States maintains the right of all peoples to worship God as their consciences dictate, Welles said:

"This right has been denied to their peoples by both the Nazi and the soviet governments. To the people of the United States, this and other principles and doctrines of communistic dictatorship are as intolerable, as alien to their own beliefs, as are the principles of Nazi dictatorship."

But Welles declared the immediate issue was whether the Nazi plan for universal conquest "and for the ultimate destruction of the remaining free democracies" was to be successfully halted and defeated.

That, he said, was the issue facing "a realistic America" and the one which "most directly involves our own national defense and the security of the new world in which we live."

Moves in the Baltic states to overthrow Russian occupation and set up a anti-soviet governments raised a thorny problem for the American government.

The United States, which condemned the Russian absorption of Lithuania, Latvia and Estonia last summer, has continued to recognize the representatives in this country of the former Baltic regimes.

These officials were expected to retain that status unless they announced openly for new governments which were considered pro-German here. If they did this, the United States might discontinue recognition of them but at the same time withhold Russian occupation of those territories.

Legion Post Stag Success

Large attendance marked the first stag party held by Capital Post No. 9, American Legion, in its new home on Chemskeita street Monday night. A "Dutch lunch" preceded the entertainment which was highlighted by professional comedy and dancing numbers of merit.

Reminder of the post's sponsorship of the annual Fourth of July program at the state fairgrounds was voiced by Commander Ray Stumbo who urged all members to volunteer for work in connection with the celebration.

Defense Council Named
Personnel of the Harney county defense council, to cooperate with state and national defense units, was announced by Governor Charles A. Sprague here Monday.

ELSONORE TONITE & WED. - 2 HITS Doors Open 6:45
PROF. MACMURRAY CARROLL
"ONE NIGHT IN LISBON"

— Companion Feature —
"THE GET-AWAY" with
Robert Sterling
Charles Winninger

— SPECIAL —
Official Pictures—
LOUIS-CONN FIGHT

Wed. Nite Only Ladies!
FREE COSMETICS

Coming Thursday-Friday Nites
On the Stage
"1941 SPRING REVUE" of
Billings and Armstrong
School of Dancing

CAPITOL
Last Times Tonite
Merle Oberon
Dennis Morgan
Rita Hayworth in
"AFFECTIONATELY
YOURS"
Plus Three Mesquiteers
"LONE STAR
RAIDERS"

STARTS WED. - 2 HITS
RUDY VALLEE & HELEN PARISH

Too Many Blondes
Companion Feature
Robber! Range
Virginia Vale & Ray
Whelan, Kenneth Lane

Western Food
Specials
FOR TUESDAY
WED. and THURS.

SUGAR
WHITE SATIN
100-lb. \$5.25
Bag

Pork & Beans
Gibbs Brand
No. 2 ½ Cans 9¢

With This Coupon
Void after June 26th

Fruit Cocktail
N. 1 Tall
Cans, Each 10¢

With This Coupon
Void after June 26th

FLOUR
CLIPPER and
WESTERN CHOICE
49-lb. 99¢

With This Coupon
Void after June 26th

DEL MONTE
GRAPEFRUIT
No. 303 Cans
3 for 25¢

With This Coupon
Void after June 26th

Western
Food Market
137 S. Com'l. Phone 7311

LIBERTY
LAST TIMES TODAY!
Gloria Jean and Robert Stack
"A Little Bit of Heaven"
Plus 2nd Hit
Lupe Velez & Leon Errol
"Mexican Spitfire Out West"
ALWAYS 1st
CONTINUOUS FROM 1 P.M.

Robert Marshall - Bruce
"Adventure in Washington"
2nd Hit: Victor McLaglen, Douglas Fairbanks Jr. in "Gunga Din." Time 1:30-3:30-5:30-7:30-9:30. Added Mickey Mouse cartoon.

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