

Russ Defeat Arctic Drive

Second Nazi Attempt to Take City Fails; Leningrad Pressured

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quered lands. Attempts to reach Zagreb, Croat capital, from Berlin by telephone met with an announcement that "the line is disturbed." Earlier this week Serb rebels were said to have killed 104 Croat soldiers and officers and holed up in the mountains.

Although Berlin informants declared the situation of Leningrad was increasingly precarious they offered no prediction on the possible duration of Russian resistance.

An unending series of soviet counter-attacks was acknowledged, but they were said to be progressively losing power.

The official German news agency, in effect admitting that there was no sign of a crack in the Russian resolve to hold Leningrad to the death, obliquely threatened:

"It is expected that Leningrad and its population will suffer the fate of Warsaw." As to the vast Russian force claimed to be still entrapped east of Kiev in an area far behind the spearhead of the German advance toward Khar'kov in the Donets river basin, Berlin claimed that two separate encirclements had been achieved and that the annihilation or capture of the survivors was imminent and certain.

As of Tuesday, the destruction of 50 soviet divisions numbering about 750,000 men had been claimed in that sector.

In the air, the Germans reported a continuing offensive extending from the Baltic to the far south of Khar'kov in the lower Ukraine—the latter presumably covering the advance on the ground. The high command announced that bomb hits had been scored on a Russian cruiser and on an untested number of battleships off the Leningrad naval base of Kronstadt.

Aside from announcing the victory at Murmansk, Moscow claimed Wednesday qualified successes on nearly every other sector, although the general soviet position was still bad beyond question.

At Leningrad it was declared that the Germans had been beaten back on one of the city's approaches by the recapture of a local position and that a stubborn series of nazi counter-attacks had failed.

At the center, the Russian counter-offensive was declared still unchecked, and it was stated specifically that two German regiments had been destroyed along the upper Dvina river about 200 miles due west of Moscow.

On the diplomatic front, Britain's allies—the Dominions, the Russians, the Belgians, Czechs, Greeks, Dutch, Norwegians, Poles, Yugoslavs, Free French and Luxembourg—agreed upon a proposal for the creation of a great reserve of food and other supplies to help sustain Europe when the war is ended.

The scheme, proposed by British Foreign Secretary Anthony Eden and offered along with a declaration of American Ambassador Winant that it had "great

Neutral Act Repeal Seen

President Expected to Ask Changes to Permit US Ships Anywhere

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tions, appeared before a house appropriations subcommittee in executive session. Committee members, who declined to be quoted by name, said Stark proposed figures on shipping losses which demonstrated that the navy's new "shoot on sight" policy would not alone be sufficient to keep the sea lanes to Britain open.

The naval chief was reported to have said that still greater expenditures would be necessary for both merchant ships to make up for losses and for corvettes, torpedo boats and similar anti-submarine craft to help the British wipe out the undersea menace.

Stark testified on the naval phases of the \$5,985,000,000 second lend-lease appropriation bill and some members asserted his picture of the shipping losses was a gloomy one. Others contended that he did not indicate any substantial change in the situation.

"They just want an extension of the original program," one member said.

Speaker Rayburn predicted that the house would approve amending the merchant craft.

"There probably will be a lot of fighting and searching around, but it ought to pass," Rayburn told his press conference.

Asked about modification of the neutrality act in general, Rayburn said, "There's not much left after you take arming of merchant ships out of it."

Mr. Roosevelt was expected to discuss his forthcoming message with legislative leaders early next week, and send it to congress next Wednesday or Thursday.

WASHINGTON, Sept. 24—(AP)—Secretary Morgenthau coupled an unexpected recommendation to congress Wednesday for a drastic six per cent limitation on all corporate profits during the emergency with a warning that further restrictions on bank credits may be necessary if inflation is to be averted.

The treasury chief, urging the house banking committee to speed the price-control bill as an essential step toward preventing inflation, expressed belief that corporations should be satisfied if they could earn six per cent on their invested capital during the emergency.

He asserted that all earnings in excess of that figure should go to the government to help pay for the "fantastic" defense expenditures. Despite efforts of several republicans to have him modify the statement, he stuck to it as what he called a "rule of thumb" from which tax experts could work out the details.

WASHINGTON, Sept. 24—(AP)—House approved restrictions on the administration's property seizure bill were accepted by a joint senate-house conference committee Wednesday and the action cleared the way for a final congressional vote on the legislation.

The compromise measure authorizes the president to requisition military and naval equipment, supplies, munitions and similar articles until he declares the emergency ended or until June 30, 1943, whichever time comes first. "First and just compensation" would be paid.

The bill drafted by the conference committee made important exemptions, however, specifying that nothing in the act shall be construed:

"1. To authorize the requisitioning or require the registration of any firearms possessed by any individual for his personal protection or sport and the possession of which is not prohibited or the registration of which is not required by existing laws."

"2. To impair or infringe in any manner the right of any individual to keep and bear arms."

"3. To authorize the requisitioning of any machinery or equipment which is in actual use in connection with any operating factory or business and which is necessary to the operation of such factory or business."

WPA Projects To Resume in City, Airport

Probably about 20 men are to return to work Monday on the Marion street reversal of the Salem sewage disposal system, a WPA project, Sup't. G. R. Boatwright said Wednesday.

WPA operations in this area have been shut down for about one month, so workers could aid in the harvest, but several have been reassigned to begin Monday.

At the airport, 22 men comprise the WPA crew working on a new bridge over the drainage ditch at the southwest corner. The second concrete pier is to be poured this week and the third soon.

Employees Get Pay Hike Okeh

Budget Committee to Propose 10 Per Cent Increase to Council

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scrapped when the argument was raised that even heads of departments must meet rising living costs and that best municipal employees could not be promised that their salaries would be boosted along with prices of commodities.

Battling for the "10 per cent down the line" raise, Alderman Bert Smith was backed by a sub-committee minority report from Charles Crary, and Alderman L. F. LeGarle. That the raise must come out of the taxpayer's pocket into which there may be an additional 10 per cent coming was Councilmen Arthur O. Davidson and E. B. Perrine's contention.

That the city council cannot legally under its charter, under the budget law or against the background of supreme court decisions on similar questions contract to pay \$38,000 for a fire alarm system for which it has budgeted approximately \$7000 was vehemently declared by Frederick H. Paulus, whose statements were backed by City Attorney Lawrence Brown.

Paulus emphasized that council members might lay themselves liable should they sign a proposed contract for the equipment and its installation without funds to complete the deal and moved that the item be stricken from the budget.

Brown explained that the personnel of the company interested in making the sale had been told of charter limitations and had been willing to make a non-binding contract.

Second Salem Ex-Soldier Given Job

Second man to be placed here under the state's re-employment program for men being released from the army forces is Cecil D. Crawford, who was given a job with Keith-Brown Building Supply company shortly after applying for work at the state employment office here Wednesday.

Crawford, a former resident of Pennsylvania, served as an instructor in firearms, gas defense and first aid at Ft. Lewis.

Rescue Party Reaches Plane

(Continued from Page 1) mains of the airmen and the shattered bomber.

Another cavalry detachment was summoned from Fort Lewis, raising the pack animal total in readiness here or on the mountain to 16 horses and 21 mules.

The forest rangers, who reached the crash scene Tuesday and made their way back to the base camp by separate routes Wednesday in an attempt to find the least difficult, were Tony Zaccardo, Hugh Wolfcott and Jack (Whiskers) Conroad.

The three men stayed overnight at the crash scene without bedding or any fuel for a fire.

Two other foresters—Chief Ranger Jay F. Grant and Game Warden George Farquhar—returned from the mountain top Tuesday and were acting as guides for the army detachment.

Auto Traffic Victim Dies

Ninth fatality in eight days of traffic accidents in the central Willamette valley was counted Wednesday when Harry Leroy Linck of Portland died at Salem General hospital.

Linck's car collided Saturday near the Bonneville substation on the Salem-Dallas highway with one occupied by Don Brook of Washougal, Wash., and Walter Donald, 990 North 17th street, Willamette university student.

Reports of the accident indicated Linck fell asleep at the wheel, and the car swerved to the wrong side of the road. An employee of the Doernbecher Manufacturing company, he was 41 years of age.

Firemen Hunt Blaze, Find Engine Afire

Salem firemen had to hunt for a fire reported about 8:30 Wednesday night, but found the blaze, on a switch engine of the Oregon Electric railway, did no damage.

The engine was located on the trestle a short distance south of the Oregon Pulp and Paper mill on South Commercial street.

State Metal Drive Result Is Revealed

Portland topped all Oregon cities with 39,156 pounds, Medford contributed 8905 pounds, Salem 8640, Astoria 6676, Klamath Falls 6400, Eugene 6190 and Oregon City 5980.

Other contributions included: Amity 162 pounds, Rickreall 80, Dallas 687, Dayton 162, Independence 389 and Aurora 17.

Texas Emerges From Storm; Loss Heavy

(Continued from Page 1) bits; destroyed flimsy structures; unrooted residences; uprooted trees; disrupted communications; killed three persons and injured scores, and isolated entire communities.

Houston was the last city to suffer winds of hurricane force. The storm struck without warning last night and left damage of at least \$500,000.

State Births Booming Says Health Chief

PORTLAND, Sept. 24—(AP)—Oregon is in the midst of its biggest baby boom since 1925, the state health officer reported Wednesday.

Dr. Frederick D. Stricker, state health officer, said tabulations of Oregon births for the first eight months of 1941 showed a continuation of the upward trend of the past four years.

The birth rate for this period was 17.4 per 1000 population, compared to 16.2 in 1940.

The largest increase included the following counties: Malheur, 47 per cent; Tillamook, 37; Lincoln, 33; Umatilla, 28; Douglas, 28; Polk, 22; Clackamas 10; Klamath, 10.

FDR Cancels Duke Lunch

(Continued from Page 1) plained that the postponement was necessitated by the serious illness of G. Hall Roosevelt, brother of the first lady. He has been a patient at Walter Reed hospital here for some time.

The department's statement said:

"The president and Mrs. Roosevelt have found it necessary to postpone the luncheon on Thursday to the Duke and Duchess of Windsor. The president has written to the Duke explaining the serious nature of the illness of Mrs. Roosevelt's brother, and that for several days she has been constantly at the hospital. The president and Mrs. Roosevelt anticipate having the Duke and Duchess at

Argentine Air Chief Confined

Dispute Grows Over Responsibility in Foiled Uprising

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himself offended by the army's attitude.

Castillo, acting president since July, 1940, when President Roberto Ortiz became ill, earlier had charged that radical party members, nationalists, and "others" were involved in the conspiracy against the government.

This promptly caused loud protests from the radicals, one of whom, Raul Damonte Taborda, was instrumental in the vigorous congressional committee investigation of nazi activities in Argentina.

The radicals also used their dominant political weight in the chamber of deputies to show their resentment against Castillo by blocking house approval of a proposed \$110,000,000 United States loan which Castillo wants for his economic program.

This angered the conservative national democrats, members of

Funeral Services Set

GERVAIS—Funeral services will be held at the Gervais Presbyterian church Saturday afternoon for LeRoy Armstrong, a former resident here, who died in Seattle Wednesday.

Castillo's party. They walked out and said they would not return to the chamber.

Thus the subversive issue in Argentina rapidly became linked with the domestic political quarrel which has existed ever since Castillo became acting president.

Last January the radicals (actually liberals) appealed to ailing President Ortiz to return to office, charging that Castillo was not pursuing liberal policies. But Ortiz is too ill to return.

Capitol

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Companion Feature Don Barry in "Desert Bandit"

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REVIEW LAST TIMES TODAY CHEERS FOR Miss Bishop AND 2ND FEATURE BLACKOUT

To Relieve the Merger of COLDS the 666

Call Board HOLLYWOOD Today—Martha Scott, William Gargan in "Cheers for Miss Bishop"

FRIDAY—Richard Arlen, Andy Devine in "Mutiny in the Arctic" Jackie Cooper, Lela Ernest in "Life With Henry"

STARS Today—Madeleine Carroll, Fred MacMurray in "A Night in Lisbon" Arthur Kennedy, Olympe Bradna in "Knockout"

SATURDAY—Robert Taylor, Maureen O'Sullivan in "Billy the Kid" GRAND Today—Robert Montgomery, Evelyn Keyes in "Here Comes Mr. Jordan"

CAPITOL Today—Charles Laughton, Charles Ruggles in "Ruggles of Red Gap" Don Barry in "Desert Bandit"

ELGINORE Today—Dorothy Lamour, Jon Hall in "Aloma of the South Seas" Richard Arlen, Jean Parker in "Flying Blind"

LIBERTY Today—Leon Errol in "Where Did You Get That Girl?" Plus—Jean Harsholt in "Remedy for Riches"

ALWAYS 2 BIG HITS LIBERTY LAST TIMES TODAY LEON ERROL IN "Where Did You Get That Girl?"

"A NIGHT IN LISBON" Time: 7:30 - 9:40 - 8:50

"KNOCKOUT" Time: 1:00-4:10-7:20-10:30

STATE CONTINUOUS SHOW MATINEE 2 P.M. Madeline Fred CARROLL MacMURRAY

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