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Watch Rise



US Retail Sales Hit New High

Nation's Stores Swamped to Beat Tax Deadline

WASHINGTON, Sept. 30.—(AP)—Tuesday was like the day before Christmas in the nation's retail stores. Apparently, millions of people rushed to buy goods before sweeping new taxes took effect at midnight.

At that hour all of the excise taxes contained in the recently enacted revenue bill became effective, except for the increased tax on night clubs. Just so nobody would leave a party when it was warming up, the treasury postponed the time for putting this levy into effect until 10 o'clock Wednesday morning.

(Of course the new income taxes won't have to be paid until next March 15.)

The big rush Tuesday was on liquor, furs, jewelry, toilet preparations and automobile tires and tubes. On furs, jewelry and toilet preparations, the new tax—10 per cent of retail price—must be paid before purchase.

Chest Workers Start Drive

Total of \$17,759.69 Reported in Pledges After First Day

Encouraged to put the "Joe Louis punch" into their efforts, to the end that the campaign might be closed by the "sixth round," workers in the Salem Community Chest solicitation brought in subscriptions and pledges in their first half day's activity sufficient to bring the fund total up to \$17,759.69 at the time of the first campaign luncheon.

This total included the \$11,900 obtained by the pre-campaign committee, individual items of which were distributed among the nine divisions according to the classification of the giver. Ed Bisgill, chairman of the mercantile division which reported \$4354.75, largest amount for the first day, credited the pre-campaign group headed by Carl Hogg with obtaining the greater part of that sum.

Other division reports included: Automotive and transportation, A. C. Haag, chairman, \$3157.55.

General gifts, T. A. Windshar, \$3826.50.

Government and education, George Alexander, \$2581.54.

Industrial, Robert Shinn, \$2499.50.

Professional, Gene Vandenberg, \$2070.

Women's division, Dorothea Stensloff, \$319.75.

There was only a partial report of \$58 from the contractors and (Turn to Page 2, Col. 5)

Winnie Beats Adolf in Poll As "Greatest"

PRINCETON, N.J., Sept. 30.—(AP)—Princeton university freshmen, which have strung along with Adolf Hitler during two years of naval military successes, underwent a change of heart Tuesday.

The class of 1945 voted Britain's Prime Minister Winston Churchill the world's greatest living person, unseating the German chancellor in their annual poll.

Duke Canters Over Ranch

PEKISKO, Alta., Sept. 30.—(CP)—Mounted on a big hunter thoroughbred horse selected by members of an adjoining ranch, the Duke of Windsor went for a canter over the rolling rangeland of his 4,000-acre EP ranch, near here Tuesday, beginning the active part of his holiday after a 24-hour rest.

Returning late for supper, the duke and duchess dined on western Canada game birds, which were presented to the royal couple by Max McGraw of Elgin, Ill., on their way to Alberta. The birds were shot near Sloughton, Sask.

Plant to Get Power

PORTLAND, Ore., Sept. 30.—(AP)—The Bonneville administration and the Defense Plant Corporation will sign a contract for delivery of power to the proposed 100,000,000-pound aluminum plant in Oregon as soon as the plant site is selected.

They Started Ball A-Rollin' at Kickoff



More than 150 Community Chest workers turned out for the "kickoff" breakfast which opened that organization's annual solicitation campaign Tuesday morning. At the speakers' table, left in front of the campaign tabulation blackboards, are Senator Douglas McKay, chairman of past campaigns; Governor Charles A. Sprague, "kickoff" speaker; Irl S. McSherry, chairman of the present campaign, and Mayor W. W. Chadwick.—Statesman Photo.

County Tax Values Set

Assessment Roll Based On \$35,682,810; Gain Revealed Over 1940

Marion county's next tax levy will be charged on a roll valued at \$35,682,810, County Assessor R. "Ted" Shelton announced Tuesday. The 1941 assessment roll as adjusted by the state board of equalization shows an increase of \$590,040 over that of a year ago, and does not include assessment of utilities by the state tax commission.

Real property is placed at a \$31,988,060 valuation as compared with \$31,550,990 last year, while personal property valuation has risen to \$3,694,750 from \$3,541,780.

A deduction of \$220,290 was made from the total roll because of widows' and veterans' exemptions. Shelton's report reveals. Off the tax rolls because they are under reforestation are 37,121.49 acres of land.

Acreage assessed totals 514,589; while most valuable farm stock were cattle, totaling 13,700, valued per head at \$26.99. Horses and mules assessed numbered 2,492, with a unit value of \$37.74; sheep and goats, 22,072 at \$2.98 each; swine, 4006 at \$6.96; poultry, 48,150 at 34 cents each.

Alf O. Nelson, Silverton justice (Turn to Page 2, Col. 2)

County Budget Under Knife

Committee Starts Operations

Ploughing through 10 pages of the 70-page volume of estimates which comprise the county budget, Marion county's budget committee Monday denied increases in expenditures totaling \$1100, approved others amounting to \$636.50 and tabled all decisions as to salary boosts for last minute action.

Scheduled for 3 o'clock this afternoon is the hearing which is expected to bring the largest delegation of petitioners into the county seat for the budget session. Women from granges, women's clubs and private homes will be among those asking that a new \$780 item for a home demonstration agent's office be allowed, leaders of the movement declare.

A Silverton hills delegation headed by Joe Bonner was assured Monday that a place had been found in the 1942 six-months' budget to include the \$250 request for predatory animal control, funds to match federal money paid to a trapper.

Mrs. R. E. Bonduant of the Louise home, Portland institution for girls, basing her request upon statistics as to the number of Marion county girls and babies cared for, appeared to ask aid, mentioning the sum of \$1000. Previously a written request for \$500 had been received by the court. Ten years ago, she said, the county had contributed \$1000 when assistance in a building program was particularly needed; since that time, she declared, all aid from Marion has been through private donation.

George Zerr, Portland safe and lock expert who for many years had handled lock installations and repairs at the courthouse, told the committee that vault doors in several of the offices could not be considered fire-resistant, although the (Turn to Page 2, Col. 7)

Survey Shows Salem Water Charges High

That Salem's water charges amount to \$1.30 per user monthly for 3000 gallons, while an average of \$1.06 is charged for similar service by 286 American cities, is disclosed in a survey of water charges made public by Barcus, Kindred & Co., specialists in municipal finance.

The survey computes charges on a monthly basis and translates cubic feet into gallons to make comparisons simple.

Salem's charge for 5000 gallons is \$1.80 monthly, compared with an average of \$1.54 for all cities studied and of \$1.42 for those in Salem's population group.

Water charges are cheaper in larger municipalities, with average charge for 5000 gallons in cities over 100,000 population \$1.36.

C. E. Guenther, manager of Salem's municipal water system, could not be reached Tuesday night for comment on the company's report of its survey.

Month Winds Up Damply; River Low

After several days of the kind of weather usually thought of as typically autumn, September turned on the sprinkler Tuesday to wind itself up damply. Mole-fur for the day was .03 inch, bringing the total of the month to 2.31 inches, according to weather bureau measurements. Normal average rainfall for September is 1.73 inches.

Precipitation for the month was approximately the same as September 1940, which was 2.36 inches. Record for the month of September, the records available indicate, is the 4.84 inches in 1914. Other heavy years were

Germans Bomb England

LONDON—(Wednesday)—Oct. 1.—(AP)—Strong formations of German planes heavily assaulted northeast coastal areas for hours during the night and rescue parties this morning were bringing the dead and injured from the debris of wrecked buildings.

Willamette's President Makes First Talk

"The pathway to the offices of administration are always open to you," in order that democracy will have a chance to work, Dr. Carl S. Knopf, president of Willamette university, told students in his first public appearance in Salem Tuesday. Students, faculty and trustees filled the chapel in Waller hall, oldest standing building on the campus, for the first words from Dr. Knopf, whom they greeted with a standing ovation.

In reminding that he was a freshman, too, the new president declared talking about problems to persons who can do something about them is democracy in action, while criticism voiced to other persons is gossip. "We don't want registration."

That independent schools have a peculiar opportunity to "be human" and to work out the truths of religion and democracy was stressed by Dr. Knopf. "Chapel is not an assembly but a church," said the former University of Southern California director of religious education, who opened and closed his talk with prayer.

Dr. Knopf declared religion has found the truths and values of



Three Willamette university freshmen examine the boulder and bronze plate on the campus in front of the gymnasium marking the site where the original Oregon Institute stood. Dr. Carl S. Knopf (left), "freshman" president of the university, points to the date 1811 on the marker while Marian Francis, Olympia, Wash., and Miriam Ferris, Cottage Grove, look on.—Statesman Photo.

FDR Set For Arms On Ships

Will not Request Full Repeal of Neutrality Act

WASHINGTON, Sept. 30.—(AP)—President Roosevelt was reported reliably Tuesday to be considering a request to congress for modification of the neutrality act to permit the arming of American merchant ships and their use in carrying war supplies to Canadian ports from which they now are barred.

Although the president told his press conference that no final decision had been reached, informed sources said it was not likely that any attempt would be made at this time to repeal the act's provisions prohibiting United States vessels from entering ports in European combat zones.

The neutrality act now specially prohibits American ships from carrying goods to belligerents in an area bounded on the south by latitude 35 north and on the west by longitude 66 west.

Legislative strategists were reported to have informed the president he could obtain authority to arm merchant vessels with relatively little controversy, if they were to be operated only in "defense waters."

On the other hand, leaders have conceded that outright repeal of the neutrality act, or a move to send ships into "combat areas," would provoke a prolonged battle in congress.

At his press conference Tuesday the president enumerated the cargo of a ship recently torpedoed (Turn to Page 2, Col. 7)

World Series Starts Today

World series action, world series drama and world series spectacle—all three will be reported accurately and colorfully for Statesman readers by the staff of Associated Press baseball writers and photographers when the battle for the game's highest prize opens today at 10:30 a.m., PST, at Yankee stadium, New York City.

Watch for the "same in brief" daily on the Statesman front page and for complete details, and pictures, on the sports page.

Albion Cheered By Churchill

Reveals Optimism in Shipping Loss Cut And New Strength

LONDON, Sept. 30.—(AP)—Winston Churchill described Britain's home position Tuesday as enormously improved, with her shipping losses cut two-thirds in the last three months, but warned that in every arm save the air Hitler still held the initiative and could strike simultaneously and with great power in three fresh theatres if he chose.

In a war review before parliament through which ran at once a restrained exultance at the course of the battle of the Atlantic and a clear feeling of concern at the situation in Russia, the prime minister said plainly that only the greatest of sacrifices by the British people and a tremendous upsurge of production in the United States could keep the red armies indefinitely in the field.

And even then, he declared, while reporting that British and American representatives now in Moscow were prepared to give Stalin the most specific commitments as to what supplies he could expect, "it may be that transportation rather than willingness or ability to give will prove in the end the limiting factor."

He took notice of the agitation in some quarters that Britain should invade the continent to take some of the pressure off Russia.

"I should be guilty of no indiscretion," he said, "if I admitted that these questions have several times occurred to those responsible for the conduct of the war."

But, he went on, grand strategy was now lost in the darkness of Hitler's long silence as to his intentions.

"We don't know," said the (Turn to Page 2, Col. 3)

Southwestern Cities Hurt By Floods

ALBUQUERQUE, N.M., Sept. 30.—(AP)—Rain-gorged rivers of southern New Mexico inundated widely separated towns and cities Tuesday night, doing incalculable damage to crops and highways, and brought the swift menace of flood waters into neighboring Arizona and Texas.

For the second time in a week, the flood-damaged Pecos valley city of Roswell was under water from the Hondo, down which torrents raced from cloudburst swollen headwaters in the mountains.

Crests from last week's floods moved down the lower Pecos over the Texas line, surging through the town of Pecos. Thousands of acres of rich cottonland were damaged and families were forced to flee from the lowlands.

Across New Mexico, flood waters of the Gila smashed into southeastern Arizona, leaving in their wake vast areas of destroyed farm lands, damaged bridges and highways, and many homeless.

Welders Renew Strike Threat

SEATTLE, Sept. 30.—(AP)—Once more denied their demands for autonomy, welders and burners late Tuesday renewed their threat to halt work here and at Tacoma Monday and picket the American Federation of Labor's opening session. The strike would affect about 1500 men, many of whom are employed on national defense projects.

The welders' demands were rejected by the AFL metal trades department convention Tuesday.

Martin Sees GOP Congress

BOISE, Idaho, Sept. 30.—(AP)—A prediction of republican success in 1942's congressional elections, a victory furthered by the active participation of Wendell L. Willkie, was made Tuesday by Representative Joseph W. Martin, republican national chairman.

Martin, here to confer with Idaho party leaders on organization for the west election drive, visited nine western states and said he found "great enthusiasm and confidence that we'll elect a republican congress in 1942."

Hotel Workers Strike

PITTSBURGH, Sept. 30.—(AP)—Promptly at midnight Tuesday night more than 2000 bellboys, cooks, waiters, elevator operators and other service workers in Pittsburgh's eight largest hotels went on strike demanding 15 to 20 per cent increase in wages.

Targets of British Bombers



Royal air force bombers raided northern Italian cities, including Turin, Genoa, Spezia and Savona (1). Civita in Sicily (2) and the island city of Rhodes (3) also were targets of the British in retaliation for an Italian attack on British warships in the Mediterranean (shaded area) between Sicily and Tunisia.

Employers Hit Ceiling; Save Rate Penalty

Employer contributions to the state unemployment compensation fund had reached the "ceiling" of \$14,373,511.80 late Tuesday afternoon, commission employees declared.

This means there will be no penalties during the last quarter of the year and the rate will be frozen at 2.7 per cent. Prior to reaching the "ceiling" some contributors to the fund were compelled to pay as high as 4 per cent, due to their unfavorable experience rating.

Members of the unemployment compensation commission refused to comment Tuesday, other than announcing that Gov. Charles A. Sprague would have a statement to release early Wednesday afternoon. This statement will follow a conference between members of the commission and the governor.

The "ceiling" on unemployment compensation funds was fixed by the 1941 legislature after many prolonged meetings and a debate in both the senate and the house of representatives.

Phoenix Paper Issues Blank Front Page

PHOENIX, Ariz., Sept. 30.—(AP)—Page one of Wednesday's Arizona Republic, usually devoted only to events of prime importance, carries no news.

The page is blank except for column rules and a brief box: "On this page appears all of the news of the world you could read this morning if it were not for the daily newspaper."

"This is all the news you would be able to read if the daily newspaper were not uncensored, unfettered, in free America."

Late Sports

JERSEY CITY, Sept. 30.—(AP)—Former Middleweight Champion Ken Overlin of Washington pounded out a rough, 10-round victory Tuesday night over Wild Bill McDowell in the feature bout at Grotto auditorium.

Overlin, weighing 163 for a five-pound advantage over the Patterson battler, had little difficulty in racking up sufficient points to gain Referee Paul Cavalliere's decision.

Reds Tell City Fall In South

Counter-Attacks Push Back Nazis Near Leningrad

The Russians formally acknowledged early Wednesday the fall of Poltava, which lies 80 miles southwest of the major Donets basin city of Pharkov in the Ukraine and had been claimed on September 19 by the Germans, but reported successful red counter-attacks which threw the nazis back from Leningrad and breached their lines in the far south.

Poltava's abandonment—a nod Moscow's communique implied that its last positions were given up only Tuesday—had long been discounted by the fact that the nazi spearhead for days had clearly seemed to be standing beyond that point—a drive which currently is apparently confined principally to aerial bombing and reconnaissance. Soviet information that the evacuation had been completed so recently suggested, assuming its correctness, a reason for the slow progress of the nazi offensive.

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