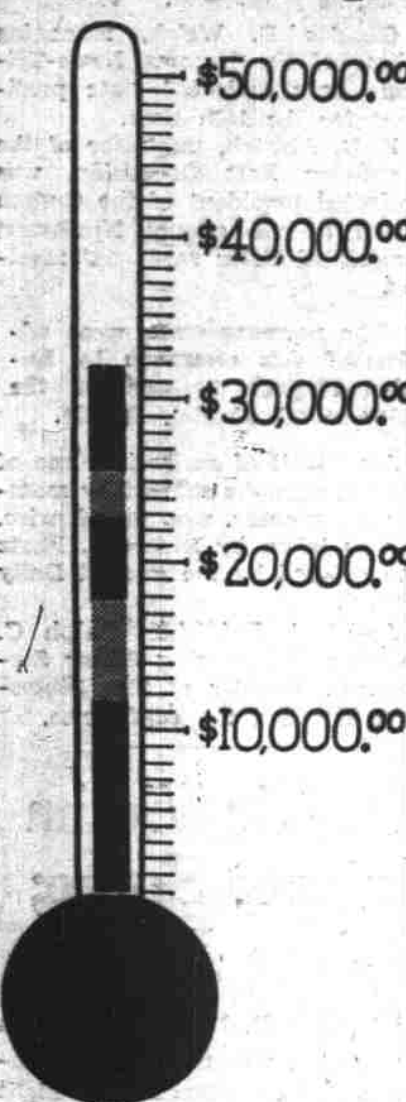


Two syndicated news picture services and a staff photographer serve Statesman readers. For first news in word and picture, read The Statesman.

Partly cloudy today with scattered showers. Fair Sunday. Max. temp. Friday, 68. Min. 50. Rainfall, .33 inch. River -3.3. Southwest wind. Cloudy.

## Upl Upl Upl



Watch the Community Chest get hotter and hotter. It has now reached 63 percent. The differently shaded "mercury" indicates amounts collected each day.

## Chest Total Still Rises

### Latest Reports Show \$31,585 Pledged in Campaign Thus Far

Community Chest solicitors got their second wind on Friday and brought in subscriptions amounting to \$5140 to swell the total to \$31,585 or slightly more than 63 per cent of the \$50,000 goal. The government and education division again led the parade with \$2104 reported. The next report luncheon will be on Monday after workers have had opportunity to interview prospective donors over the weekend.

Other division reports on Friday included:

- Automotive \$136, contractors \$172, general gifts \$326, industrial \$721, mercantile \$538, professional \$277, women's division \$408.

The total was also increased by a correction in the (Turn to Page 2, Col. 6)

## Marooned



This is Devil's Tower, 1289-foot rock formation near Sundance, Wyo., atop which George Hopkins of Rapid City, S.D., was marooned after a parachute leap to win a bet. Instructions for the perilous descent down the sheer walls of the basaltic obelisk were dropped to him from an airplane.

## Funds For State Use Approved

### Emergency Ur Aids Police Defense Council

Expenditure of \$248,000 of Oregon National guard funds by the state civilian defense council and \$30,000, in any one year, for expansion of the state police department was authorized by the state emergency board in special session Friday. The funds were taken from a \$248,000 appropriation approved by the last legislature and earmarked for the guard, or for state police expansion should the emergency board so decree.

Attorney General I. H. VanWinkle had held that no part of this money could be used either by the state defense council or the state police without authority of the emergency board.

Gov. Charles A. Sprague outlined the activities of the defense council which he said had multiplied rapidly during the past few months. He declared that all of the 36 Oregon counties were now organized and functioning on a defense basis.

A budget prepared by Jerrold Owen, state civilian coordinator, estimated that approximately \$1100 would be required monthly to meet the financial demands of defense council activities. Bills already contracted by the council aggregate \$3900. The \$25,000 was voted to meet needs to June 30, 1943.

Necessity for expanding policing activities in Oregon was stressed by Charles P. Pray, superintendent of the state police department. (Turn to Page 2, Col. 5)

## War Problem Revealed in Salem Talk

"I'm not for the war but the war is for us," Jay Allen, foreign correspondent and recent prisoner of the Germans in occupied France, told a Salem audience in the high school auditorium Friday night. Denying any intent to preach intervention, he said he could see only three alternatives for the United States; fight and win the war, fight and lose the war, or do nothing and lose the war "and our souls as well."

If Hitler becomes convinced that he cannot win, before that fact is too obvious he will move for peace on seemingly generous terms and they probably will be accepted. For the most part he avoided "crystal-gazing" and presented a factual though whimsical account of his experiences in prison and his observations in Vichy and in occupied France.

French fascists, Petain among them, surrendered when it wasn't necessary, for what they thought was their own good and that of France, but they are bitter now because "Hitler betrayed everyone, but especially his friends." Allen observed. He said France lost because it was divided, one group swearing by Hitler and another worshipping Stalin.

## US to Borrow Billion

WASHINGTON, Oct. 3.—(AP)—Secretary Morgenthau Friday announced plans to borrow \$1,000,000,000 or more next week in what may be the largest cash financing of the treasury since the World War era.

## At Reception for Willamette President



Dr. Carl Sumner Knopf (right), new president of Willamette university, chats with Maxine Holt, Salem senior coed, at the reception held in the university library Friday afternoon for president and Mrs. Knopf. Left to right, Paul B. Wallace, president of the board of trustees, Mrs. Wallace, Mrs. Charles A. Sprague and Mrs. Knopf.

## Sprague Speaks On Free Press

### Says Courage Needed To Preserve Liberty At Wire Conclave

PORTLAND, Ore., Oct. 3.—(AP)—A free press needs liberty and the courage to use it, Gov. Charles A. Sprague said Friday night at the annual banquet of the Northwest Associated Press members' meeting.

If the press lacks the courage to make full use of liberty, the governor said, it has no assurance that it will retain it.

A free press alone is not a complete safeguard against despotism, he warned. The danger of despotism rests on constant social dislocations with depressions and periods of prosperity occurring within periods of a few years.

The crisis of the present can only be solved, he asserted, through removal of the underlying causes of social maladjustments.

Democratic processes are in active danger, Sprague said, from the temper and spirit of the age. The revolution sweeping Europe could not have been dreamed 10 years ago, and it is folly to think the people of this country are so far different from Europeans that it could not happen here.

If Hitler succeeds and dominates Europe and Africa, this country will be so isolated that an American form of fascism will arise through internal eruption. (Turn to Page 2, Col. 8)

## Army Bomber Is Missing

ALBUQUERQUE, NM., Oct. 3.—(AP)—With two officer passengers and a crew of four, a twin-motored B-18 army bomber was missing Friday night over storm swept mountainous northern Arizona or New Mexico.

The bomber with an eight-hour fuel supply, was nearly 24 hours overdue at the Albuquerque air base on a flight from Sacramento, Calif.

Last radio reports from the pilot were at 8:20 p. m., Thursday when the plane was over Needles, Calif. Bad weather closed in earlier on the route normally followed by planes over central Arizona.

The ship was due here at midnight Thursday. It left McClelland field at Sacramento, Calif., about 5:30 p. m.

## Hitler Declares Russians Dealt Knockout Blow; Hints of New Campaign

### Fuehrer Leaves Front to Make First Speech Since May; Sneers at Efforts Of US; Reveals Huge Russian Losses

BERLIN, Oct. 3.—(AP)—Adolf Hitler, explaining his long silence by saying that he had not been able to speak until "The enemy had been hit so hard that he never again will rise up," declared Friday to the German people in his first speech since last May that the paralyzing blow had now been dealt the Russians.

In a 65-minute address to a hoarsely cheering audience of thousands in the Berlin sportsplatz he announced that a "gigantic new development" had occurred on the eastern front in the last 48 hours, but beyond this he offered little news.

His speech, for which he came directly from the front to give a glowing review of German war successes, opened the reich's third winter charity drive. But it appeared to have the wider objective of revitalizing the nation for the tasks still ahead.

Everything in the Russian campaign, he asserted, had gone according to plan, but he added: "We were not mistaken about anything except that we did not know how awfully big were the preparations against us and how closely Europe escaped Bolshevism."

There was no direct mention whatever of the United States, but the Fuehrer made an oblique and sarcastic reference by declaring that Germany did not talk much about building armaments, and had no need to depend on capitalism to create national defense.

He declared triumphantly that contrary to the situation in the world war Germany now had unlimited arms and supplies and said that the only present problem was one of transport.

Such vast stores had been accumulated, he added, that at the beginning of the war "I was able to lay idle the production of many materials. . . I know there is no longer any enemy which we could not overpower with the munitions on hand."

And if you sometimes read in the newspapers about the gigantic (Turn to Page 2, Col. 3)

## La Grande Paper Sold

LA GRANDE, Oct. 3.—(AP)—Frank Schiro and Fred Weybret arrived this week from California to take over the La Grande Observer, purchased recently from Mrs. Eloise Finlay.

## Pay Requests Slashed Half

### County Budget Group Approves Additional Help Funds at Meet

Requested pay increases were cut in half, additional funds for extra help allowed and another \$1000 was dropped into the emergency fund by Marion county's budget committee before it had placed its stamp of approval Friday on a table of anticipated income and expenditures for the first six months of 1942.

Although general fund expenditures amounted to within \$200 of the maximum allowed under the 6 per cent legal limitation, the \$12,153.69 increase in that fund will mean no increase in tax millage, County Assessor E. "Ted" Shelton said Friday night.

An increase of \$500,000 in assessed valuation of property in (Turn to Page 2, Col. 7)

## Salem Meets WU Leader

Several hundred students and Salem persons greeted Pres. and Mrs. Carl Sumner Knopf in a reception at the Willamette university library Friday afternoon and night. Many had their first view of the new president, who has spoken over the radio twice this week.

Numerous bouquets of flowers decorated the spacious rooms, where the new "first family" was introduced to new friends. The reception, sponsored by the faculty and board of trustees, was in general charge of Mrs. Roy S. Keene.

## Russ Tell World Series Successes Of Drives

### Declare Nazis Beaten Back on North and South

By The Associated Press  
The Russians declared Friday night that their counter-offensive in the northwest had driven the Germans back from one to two miles on a broad front at Leningrad and that a powerful series of new defensive positions had been established about the city.

Berlin stressed the progress of the southern Nazi offensive against Kharkov in the Ukraine and the Donets river basin generally acknowledging red counter-attacks by tanks and even armored trains but describing them all as broken and reporting that German bombers were bringing chaos to Russian communications far to the rear.

Soviet counter-attacks about Leningrad against two German divisions were also admitted, but it was stated that these, too, were beaten off. The capture of the palace of the old czars at Krasnnoye Selo, 18 miles southeast of Leningrad, was claimed.

Moscow's accounts of Friday were uniformly cheerful from the Russian viewpoint.

Aside from tremendously important successes before Leningrad, the red armies claimed victories extending over the central front and to the far south.

At the center, said soviet military dispatches and other official accounts, Nazi motorized columns attempting to break through somewhere about Gomel were routed by red tanks. Moreover, offensive land, aerial and guerrilla action spread through a great area of the central front—extending 100 miles northwest of Smolensk and 300 miles southwest of that town—was declared to have destroyed 17 German transport columns.

A German attempt to encircle Russian infantry somewhere in the central theater was said to have been smashed.

About Odessa in the south, as in Leningrad in the north, red counter-attacks were general, Moscow said.

Such thrusts were pictured as bending the German lines back (Turn to Page 2, Col. 1)

## Stock Show Opens Today

PORTLAND, Oct. 3.—(AP)—The 31st annual Pacific International Livestock exposition was ready Friday night for Saturday opening, from newly painted murals to the finest well-brushed calf and the San Francisco sheriff's mounted posse.

One of the main exhibits will be military—the army's huge searchlights and sound detectors for aircraft defense shown against a succession of murals depicting the army from 1776 to the present.

## War Exchange Halted

NEUHAUSEN, Eng., Oct. 3.—(AP)—British authorities called a sudden halt Friday night to exchange under the protection of a mercy truce of some 3000 German and British prisoners of war, although the crippled and blinded Germans already had been carried or led aboard two hospital ships in this strangely brilliant harbor.

## Congress To Decide Ship Arms

### FDR Will Seek Revision of Act In Near Future

WASHINGTON, Oct. 3.—(AP)—President Roosevelt reiterated Friday that congress would be asked to revise the neutrality act and said that a final decision on amendments to be requested would be reached at a conference with senate leaders of both parties next Tuesday.

At the same time, he said that American merchant ships could not be armed against the attacks of axis submarines without the approval of congress. Congressional policy on that question had been so clearly expressed, he said, that it would not be right for him to try to wiggle out of it.

The latter statement was made as part of his response to a request for comment on the proposal of Senator Pepper (D-Fla.) that Mr. Roosevelt simply revoke the proclamation issued under the neutrality act. This would have the effect of lifting most of the restrictions of that law.

The president said he had never heard of the Pepper plan which was advanced by the Florida senator in a senate speech Thursday. Then, cautioning the reporters against trying to construe his remarks, Mr. Roosevelt went on to discuss one aspect of it, the possibility of re-defining combat zones in such a way that American ships could carry cargoes to England.

He asked whether an area of the sea in which one ship out of 500 was sunk was to be considered a danger area. He next asked whether five sinkings out of 500 ships, or ten sinkings made the zone one of danger.

He offered no replies to these rhetorical questions, remarking only that the neutrality law did not specify any percentages, but left the decision to him. Additionally, he noted that the crew of a ship struck last week demanding bonuses for a voyage to the (Turn to Page 2, Col. 4)

## Dallas Woman Named to Head Defense Unit

Appointment of Mrs. Harold D. Peterson, Dallas, past president of the state federation of women's clubs, to direct women's participation in the state civilian defense program was announced Friday by Governor Charles A. Sprague.

Mrs. Peterson, member of the state advisory council of defense, was also named vice president of that body.

Jerrold Owen was named to head men's activities, an appointment which does not change his official status as state civilian defense coordinator, the governor said.

Establishment of the new posts was made at request of F. H. LaGuardia, United States director of civilian defense.

Telegraphed information from Charles R. Page, San Francisco, regional civilian defense director, indicates that the program now being undertaken will stress youth movements, health and welfare, food conservation and related activities, Owen said Friday.

In Oregon a statewide nutrition committee under Dean Ava B. Milam is operating, Owen has announced.

## Labor Takes Anzac Reins

CANBERRA, Australia (Saturday), Oct. 4.—(AP)—Labor took over the government of Australia today after the combination government of Arthur W. Fadden had resigned on a parliamentary vote of non-confidence. The new regime pledged itself to "carry on the war whole-heartedly."

The new premier, John Curtin, declared as he accepted the post: "The war involves the interests of labor more than those of any other class."

## Nazis Picture Closeness to Leningrad



A view of Leningrad, Berlin sources call this picture and say that it was taken with a long-range camera. The planes are identified as Russian bombers. This photo was sent from Berlin to New York via radio, wired to Chicago and airmailed to The Statesman.

## Lindbergh Asserts Fears of US Dictatorship

FORT WAYNE, Ind., Oct. 3.—(AP)—Charles A. Lindbergh asserted Friday night before a capacity crowd in Gospel tabernacle that "the time has come when we must consider" whether there will be any elections next year.

"Such a condition may not be many steps ahead on the road our president is taking us," he said.

Earlier in his address he expressed fear for freedom of speech in this country and charged that President Roosevelt and his administration "have been treating our congress more and more as the German reichstag has been treated under the Nazi regime."

"Congress, like the reichstag, is not consulted," said Lindbergh. The temple, with a seating ca-

capacity of 4000, was filled 45 minutes before the scheduled start of the program, sponsored by the America First committee. Doors were closed as soon as the hall was filled, and a special police detail stood guard.

It was the aviator's first speech since his September 11 Des Moines address, in which he linked the British, the Jews and the Roosevelt administration as forces pressing the United States toward war. In tonight's prepared speech, he did not mention the Jews.

Fleeting again for "a destiny for America that is independent of these everlasting European conflicts," Lindbergh asserted that the present generation's American heritage has been destroyed by "the false promises of the interventionists and of

our administration in Washington." They (the interventionists) dare not tell us that to crush Germany means to invade Europe," he said, "and that to invade Europe probably means the most devastating war of all history."

At another point he said: "We must face the fact that you and I and our generation have lost our American heritage. It is no longer simply a case of defending our American heritage. It is no longer simply a case of defending it. It is a case of rebuilding it."

Lindbergh said the address might be his last because he feared for the right of freedom of speech. He asserted that "an administration which can throw this country into uncalculated naval war against the will of our people, and without asking

the consent of congress, can by similar methods prevent freedom of speech among us."

WASHINGTON, Oct. 3.—(AP)—Senator Pepper (D-Fla.) said the address of Charles A. Lindbergh at Fort Wayne Friday night made clear that the flier proposes to be the "Fuehrer of the United States."

In a statement on Lindbergh's address, Pepper asserted: "He is following the same path, the same argument and the same policies Hitler followed in Germany. His highway to power will be by arousing the people against their government and making them believe he is their only savior; by denunciation and persecution of the Jews, by stirring up class and race prejudices, and by drawing to his side the ambitious and the misguided people and deluded men of money."