

Bringing you "the news," the latest reports of events in your home community, your state, the nation and the world at large is the first goal of YOUR Oregon Statesman.

Fair today and Wednesday, some cloudiness Wednesday. Max. temperature Monday 63, Min. 37. Wind northwest. River -2.1 ft. Clear.

What Defense Boom is Doing

My, How You've Changed

Maybe you haven't taken a good look at the real YOU recently, but you'd be surprised at how America's defense boom has entered the lives of yourself and the folks next door and started big changes.

Uncle Sam Getting Nervous As We Go On Buying Binge

(This is the second of five articles explaining the effects of defense spending and war on the average American.)

By MORGAN M. BEATTY AP Feature Service Writer

WASHINGTON—National defense and war psychology are putting new wrinkles in the American way of life!

No question about it. The facts and figures bear this out. Foods and fashions, fun and fiction, many of our habits are changing, reflecting the insecurity of our times.

Some new departures can be attributed to a series of economic shocks beginning back in 1929.

By 1933, we had adapted ourselves to the first shock, accepted the painful frugality imposed on us by shrinking incomes. We moved on to a prosperity wave in 1937, fell back into a trough in 1938. Now we're shooting like a sky rocket.

Americans generally are buying heavily, pushing up prices.

"Times are uncertain," the ordinary citizen explains to the neighbors. "We might as well get things before the government shuts down with priorities... and enjoy life a little. We've been denying ourselves and the kid for a long time now."

Multiply that idea all around the country and you have the most tremendous volume of buying in our history. This carries with it the threat of inflation. All authorities agree on that point. How to stop it is the problem.

Already congress has upped the tax bill. We'll probably pay over to Uncle Sam next year about 13 billion dollars, more than 5 billion more than we will this year.

The treasury is selling defense bonds and stamps. This is admittedly a scheme not only to help the government raise revenue but to get your money, keep you from spending it.

The president has put a crimp in installment buying. If you can't ante one-third of the price, you don't get that car.

There's still one more trick Uncle Sam may use. Congress can slap on plain, unvarnished "forced saving" laws. In that way part of your pay check could be deducted, and you'd get a receipt. When the emergency passed, you'd be given the money back in installments.

Uncle Sam is waiting to see what happens next year before trying anything so drastic.

The three devices for putting on the brakes have had too little time to show their workability as yet. As the tempo of the times changes, we are changing our (Turn to Page 2, Col. 3)

Woman 114 Years Old ST. JOHN'S, Nfld., Oct. 20—(AP)—In good health, Mrs. Ellen Carroll Monday celebrated her 114th birthday at her daughter's home in North River. She is Newfoundland's oldest woman.

US Troops on Parade at Iceland Base



Soldiers of the US army parade at their outpost in Iceland, island base in the north Atlantic. This picture was sent to New York, wired to Chicago and airmailed to The Statesman.

No Notes, Action,' Says Hull

Foods Say Nazi Push Is Halted

Repeated Attacks Broken, Moscow And Leningrad

KUIBYSHEV, Russia, Oct. 20—(AP)—The American embassy to Russia was established Monday night in this city on the Volga river 550 miles east of Moscow. A group of American correspondents, who left Moscow last week with US Ambassador Laurence A. Steinhardt, also reached here. It is believed the Russian government will make this city its temporary capital.

By The Associated Press The Russians claimed early Tuesday to have broken strong and repeated German attacks on the Moscow approaches and every indication was that the Nazi offensives upon the city had been materially slowed down, if not substantially halted.

In heavy fighting, said the soviet command's early morning communique, the red armies fought on in unchanged areas—about Muzkisk, 57 airline miles west of the capital, and Maloyaroslavets, 67 miles below it.

This supported was the general impression from other quarters that there had been no Nazi advance of consequence in the last 24 hours.

There was, in fact, much to suggest that the last decision for the capital might be long delayed. Berlin's accounts played down the Moscow front and played up instead the progress of a major far southern thrust toward the important Donets river city of Kharkov, in the Ukraine and toward Rostov on the Don river further to the east, the gateway to the Caucasus and a keystone in the south Russian communications structure.

There, it was asserted, although (Turn to Page 2, Col. 1)

Ice Blamed For Stayton Plane Crash

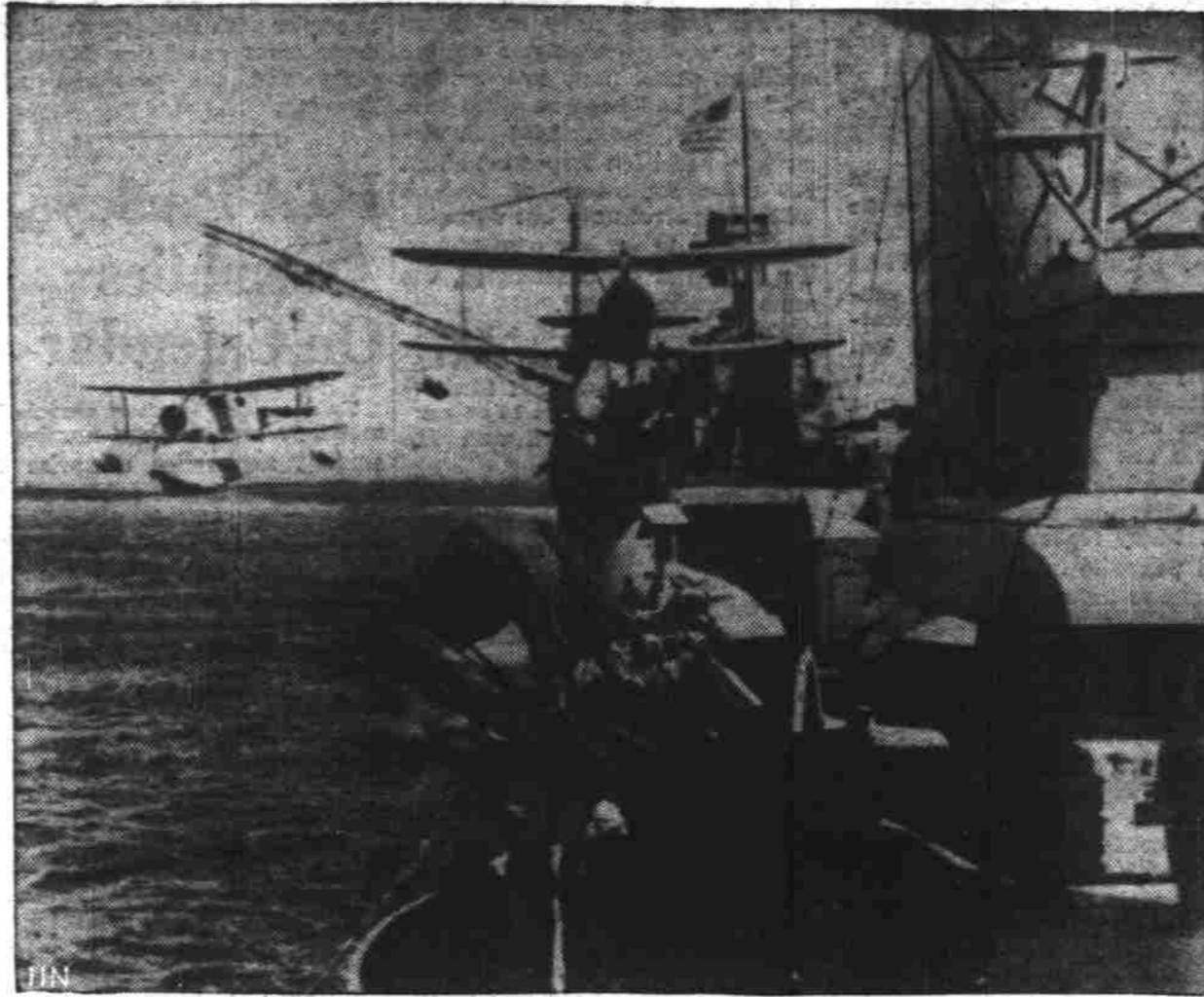
PORTLAND, Oct. 20—(AP)—Investigation into the crash of an army observation plane near Stayton Saturday will be made by Salinas, Calif., air base officers, but Capt. M. W. Kingcaid, Portland base, said Monday icing might have been responsible.

At the time icing conditions existed, Kingcaid said, and the plane was not equipped with deicers.

Officers from the Portland air base examined the plane's wreckage Sunday, then directed it to be trucked to Portland.

The three young pilots who parachuted to safety in fields west of Stayton when their ship became unmanageable, left Monday for their home base at Salinas, Calif.

Naval Patrol Planes Hunt Nazi Raiders



Taken recently, this picture shows a US naval observation plane being hoisted aboard a US cruiser after returning from a patrol flight as the warship ploughed through the north Atlantic toward Iceland. Today, these same planes have intensified their search for Nazi ships of prey, one of which is believed to have torpedoed the US Destroyer Kearny, commissioned and placed in service only a year ago. The Kearny, reaching an undisclosed port, reported 11 men missing and ten injured.

Army Fliers "Invade" Salem Twenty Planes To Base Here

Raid Warning Units Set for Air Maneuvers

Twenty fast P-43 pursuit planes, 40 officers and an estimated 165 men of the 54th Squadron from the Portland air base are expected to arrive in Salem today, not as invaders but as protectors against bombing raids that will be simulated during the next two weeks of air maneuvers in the north-west.

Maj. James W. McCauley stated at Portland Monday night that ground forces are due to leave Portland at 8 a.m., according to latest reports from army officers, and to arrive and set up equipment by noon. The first ten planes will leave at the same time while the second ten will leave in the afternoon.

No announcement had been made of the arrival time in the afternoon for the speedy army planes, but the morning contingent will probably arrive at the Salem airport about 8:45.

A majority of the officers and men will make the state fairgrounds their residence headquarters, centering around the 4th dormitory.

Army units expected here are (Turn to Page 2, Col. 7)

French Slay Nazi General

VICHY, Unoccupied France, Oct. 20—(AP)—General Heitz, German commander of the important Nanterre region of western occupied France, was killed Monday by two gunmen who escaped and Frenchmen tonight fearfully awaited severe Nazi reprisals.

The general was the highest German officer yet attacked in the wave of terrorism in the occupied zone, and German sources warned that the assassination "might have very serious consequences."

Salem Firms Will Discuss Defense Contracts Tonight

How Salem firms may secure national defense contracts will be discussed at a meeting at the Salem chamber of commerce at 8 o'clock tonight.

Arranged by Lee U. Eyerly of Eyerly Aircraft company, the meeting is an outgrowth of a discussion conducted at the capitol last week by Salem manufacturers and machine shop proprietors at the invitation of the Oregon Economic Council.

Defense contract problems will be outlined by E. E. Turner, Portland, representing the federal office of production management.

He is expected to outline as far

Salem Invited To Invite US Men to Dinner

"If you want to do a good turn, invite our visiting soldier boys to dinner," urged T. B. "Tom" Hill, representing the Salem United Hospitality association, Monday night. "These men will appreciate such an invitation."

Will Rebuild Delake Span Immediately

Reconstruction of the Delake bridge, washed out when the Pacific ocean went on a rampage last Saturday, will get under way not later than Tuesday, R. H. Baldock, state highway engineer, announced here Monday.

The bridge to be replaced was 190 feet in length and of wood construction. Baldock said the new bridge also would be of wood, but that a more permanent structure might be built later.

A crew of state highway department (Turn to Page 2, Col. 2)

ON THE AIR FOR DEFENSE

Fred H. Paulin, chairman of the committee on national defense for Salem Elks lodge No. 336, is to speak on the civil defense broadcast over KSLM tonight at 9:30 o'clock. He will discuss the Elks' civil defense program.

Tank Battle Slated at Fort Lewis

FORT LEWIS, Wash., Oct. 20—(AP)—The largest tank maneuver ever held on the Pacific coast will get underway at Fort Lewis Tuesday morning.

Fifty medium tanks of the 752nd and 756th tank battalions, activated this summer, will advance against anti-tank defenses with troops following in their wake. Officers said it would be an all-day test. About five square miles near Roy, Wash., were blocked out for the exercise.

Maj. Gen. John P. Lucas, 3rd division commander, will be on hand to watch the maneuver. Troops of the 7th and 15th infantry battalions, the 3rd anti-tank battalion and the 10th engineers battalion will take part. Overhead will fly fleet ships of the army air corps' 116th observation squadron from Spokane, cooperating with the ground forces. The anti-tank defenses will be (Turn to Page 2, Col. 3)

Nazis Lose 200 Planes

LONDON, Tuesday, Oct. 21—(AP)—The Moscow radio said today that in the last few days Leningrad's anti-aircraft defenses had shot down about 200 German planes.

Solons Want Details Of Kearney Attack; 11 Missing, 10 Hurt

Complete Neutrality Act Repeal Before Senate as FDR Speeds Aid to Soviet

WASHINGTON, Oct. 20—(AP)—The United States' answer to the torpedoing of the destroyer Kearny off Iceland with the loss of 11 men will consist of actions rather than words, Secretary Hull indicated at a press conference Monday.

The secretary of state ruled out any diplomatic protest, remarking that one does not often send diplomatic notes to an international highwayman.

Meantime, at the capitol, demands were voiced for a complete report on the clash last Friday between the Kearny and a submarine which the navy said was "undoubtedly German."

Senator Gillette (D-Iowa) said he would ask that the senate naval committee demand details from the navy department, and Senator Nye (R-ND) said he considered it essential that congress be given full information about the attack.

Premier Asks Japan Unity

Newspapers Say War Unwanted but Won't Take "Challenge"

TOKYO, Oct. 20—(AP)—Declaring Japan "encircled" by foreign powers, Premier General Eiki Tojo today called upon the country's people and fighting forces to display the "iron unity" necessary to bring the empire through its "crucial hour."

His appeal for unity and an address in which he told war officials to be prepared to sacrifice everything for their country were made against a backdrop of newspaper assertions to the effect that Japan would neither challenge the United States and Great Britain to war in the Pacific nor shrink from a challenge from them.

Japanese understood that by encirclement Tojo referred to recent military and economic measures taken by the United States, Great Britain, China and the Netherlands East Indies and Russia's war against the axis powers. Two Japanese liners sailed today for United States ports to bring home Japanese subjects alarmed by the tension in the Pacific. The Hikawa Maru left (Turn to Page 2, Col. 6)

Chest Parley Set at Noon

Solution of the problem of raising \$5881 more for the Salem Community Chest in order to balance the budgets of the nine participating agencies, will be discussed at a meeting of the campaign committee and workers at the Marlon hotel at noon today, Chairman Iri S. McSherry announced Monday.

Chairman Walsh (D-Mass) of the naval committee agreed that congress and the people should have additional information. He announced that the navy had advised him it expected to receive full details by mail within two days, and he said he would request a complete report for his committee.

At the same time, Walsh, an opponent of the administration's foreign policy, said in a statement that the mishap "should serve to waken the country to the perils of (Turn to Page 2, Col. 4)

Multnomah's Tax Hearing Slated Today

Arguments that may get to the root of the question of whether the state tax commission is legally correct in ordering the Multnomah county assessor to make up his roles on a uniform basis as to varying kinds of property will be heard before the state supreme court here at 10 o'clock this morning.

The court announced Monday that debate would be limited to two hours, the time to be divided equally among attorneys for Tom Watson, Multnomah county assessor, and the tax commission.

While technically the arguments will be on the merits of a demurrer filed by Watson to the commission's petition for a writ of mandamus directing him to comply with the commission's order as to the method of making assessments, court attaches said all questions raised by the petition probably would be gone into. An early decision by the court, possibly within two weeks, was predicted.

Russians Claim Recapture of Two Towns



Reuters, British news agency, quoted a Stockholm dispatch saying soviet army counter-attacks had recaptured the strategic town of Kalinin, 55 miles from Moscow. Other British reports quoted the Moscow radio to the effect that Red troops had retaken Orel from the Germans. Orel is a key rail center 200 miles south of Moscow. Shading indicates the approximate area of German occupation.