Our boys of Salem and

Uncle Sam over the face of the globe, Follow them daily

in The Statesman's 'Service

No. 61

Thousands See Italian Vessels Sunk in Battle Two US Ships **Torpedoed**

Navy Planes, Boats Search For Submerged U-boat Off Virginia; One Ship Sunk

NORFOLK, Va., June 16-(AP)-An enemy submarine torpedoed two large American merchant ships Monday within view of thousands of persons who stared seaward spellbound as bombing planes, a navy blimp and a half dozen naval surface ships roared over the area in search of the daring undersea raider, dropping bombs and depth charges that sent huge geysers of water skyward.

The navy had no comment as to the fate of the submarine in announcing the twin attack Tuesday. Only one man was killed in the torpedoings, which occurred about 30 minutes apart. He was Rubin

Redwine of Philadelphia, second

assistant engineer aboard one of

the ships. There were 46 in the

crew of the vessel and 62 in the

The first ship attacked remained

Soldiers, sailors and coast

guardsmen cleared the Virginia

beach for a stretch of 100 yards

in front of a coast guard station

and held back the crowds as a

surf boat brought ashore three

empty lifeboats and the body of

was hurled overboard by the ex-

bathers and pleasure seekers as

A hush fell over the throng of

Redwine's 45 shipmates had

abandoned the ship in three

lifeboats shortly after a single

torpedo tore into their vessel's

starboard side forward of the

amidship house. After rowing

part of the six miles to shore

they were picked up by a pa-

trol boat and landed several

miles down the beach. The

lifeboats were towed ashore

From the time of the first at-

tack, which occurred shortly af-

ter 5 p.m., until late Monday

blimp and surface craft pursue

their grim game of hide and seek

First Engineer A. W. Brown of

Philadelphia told newsmen in an

interview granted by the navy

crew had no opportunity for a

(Turn to Page 2, Col. 5)

FR Proposals

Rejected, Tax

To Shelf: President

Dissatisfied, Speed

\$25,000-Top Plan Goes

WASHINGTON, June 16-(AP)

President Roosevelt expressed

dissatisfaction with the progress

of the long-pending tax bill Tues-

day as the house ways and means

committee shelved his suggestion

to limit individual incomes to

By almost unanimous consent,

the committee decided there was

insufficient time now for a de-

Another presidential sugges-

prefer to have a sales tax voted

measure fall short of the \$8,700,-

Our Senators

eventually sometime this year.

\$25,000 after payment of taxes.

tailed study of this question.

by a coast guard surfboat.

plosion of the torpedo.

afloat until late Monday night and

the other was towed into a port.

Fear of Power **Bill Described**

Tugman and Pierce Heard by Committee On Measure

WASHINGTON, June 16-(AP) An Oregon newspaper editor told a joint congressional committee Redwine, which was found float-Tuesday people of his state were ing about a half mile from his "fearful" of legislation to create a ship. His shipmates believed he Columbia power authority to market energy from the big Bonneville and Grand Coulee federal hydroelectric projects.

William M. Tugman of the Eu- Redwine's body, covered with oil, gene Register-Guard asked the was removed from the surf boat committee to proceed cautiously nad carried to the coast guard staand slowly in considering the tion. Smith-Bone bills (SA2430 and HR6890) which would set up the authority to purchase private utilities in the Pacific northwest and resell them to municipalities and public utility districts.

"There is a sincere and farreaching difference of opinion on these bills in the northwest," the editor told the committee. "We want this committee to consider all the complex factors involved."

He said Oregon elections to determine creation of public utility night, thousands of persons lined districts had resulted negatively the beach and watched the planes, in a majority of cases.

Tugman said public ownership of utilities should "grow from the with the enemy raider. ground up and not be handed to you top down" and told of the operation of Eugene's municipal plant, to which he pointed with the ship was armed but the gun

The editor charged the Bonneville power administration "meddled" in local politics, and said that should the Columbia authority be created, there might be a tendency toward control of municipally operated plants.

"I have no illusions about private power companies and the methods they have used at certain times," he added, "but methods employed by Bonneville to promote its ideas are

(Turn to Page 2, Col. 2)

Landis Calls Oregon Okeh

Owen Says Interest Shown in Civil

Defense Plans

Keen interest in the plan of tion-to separate the new excise civilian defense control center taxes from the rest of the bill operation adopted by the city of and rush them to enactment so Portland, was displayed by James the treasury could start collect-M. Landis, federal director of the ing them more speedily-also office of civilian defense, at a was rejected. Chairman Doughmeeting of state council executon (D-NC) of the committee tives in Washington recently, Jercommented "it is too late now rold Owen, Oregon civilian deto divide the bill." fense director, declared upon his

return here Tuesday. Landis unequivocally said that the criticism of civilian defense activity on the Pacific coast, hind schedule and every day dollars in checks to be cashed which he made on a recent trip here, did not apply to Oregon. the tax bill was costing the treas- and women employed at nearby Owen said Landis displayed a desire to cooperate with state civilian defense organizations and agreed to revise regulations and forms to which objections have been made by the states.

Regional and sectional directors of the office of civilian defense who attempt to dictate state programs and operations were mildly criticized by Landis, Owen de-

Prohibition Asked

PHILADELPHIA, June 16-(AP) A resolution asking President Roosevelt to impose national prohibition by executive order the war was adopted Tuesday by the Women's Christian Temperance Union of Philadelphia.

Great Nazi Losses Lexington' S Inflicted on narkov Sectors

Counter-Attack Surprises Germans; Nazi Stormers at Sevastopol Pay Heavily; Many Tanks Destroyed

By HENRY C. CASSIDY

MOSCOW, Wednesday, June 17-(AP)-Soviet forces counterattacked in one sector of the Kharkov front Tuesday and in the battle for Sevastopol inflicted frightful losses among 125,000 nazis storming furiously and futilely at the Black sea naval base, the government announced early Wednesday.

Surprising the Germans, Marshal Timoshenko's forces wiped

New Job

MRS. GEORGE R. K. MOORHEAD

County Health

Worker Quits

Staff of U of O

Medical School

Mrs. Moorhead Joins

established through funds from

the Brown estate. Mrs. Moorhead

will begin her duties on July 1

with headquarters in Portland.

out an entire enemy column in a sharp counterthrust in the Kharkov area, the midnight communique reported, while in other sectors about the big Ukraine industrial center repeated German charges were smashed. With these two fronts blazing

with fierce but still indecisive fighting, the Russians launched a minor drive of their own in the long quiescent Bryansk sector, southwest of Moscow, and in a spurt of activity on the Leningrad front ejected the nazis from a strongly fortified position.

More than 400 Germans were reported killed in this engagement, one of many which flared up and down the front Tuesday tution of the home" was passed as local sparring continued on a widening scale.

slain in the red army's counterattack on the Kharkov front, and 30 armored vehicles and four tanks were destroyed.

In red air force attacks Friday, presumably in the Sevastopol battle, the Russians reported a 3000-ton transport and two motor boats sunk, four transports and two patrol boats de aiaged. The Soviet airmen also were credited with destroying 12 tanks, 100 heavily laden trucks and an entire railroad

In one small corner of the siege lines at Sevastopol, red navy marines broke into German trenches Mrs. George R. K. Moorhead and killed 250, the high command has been appointed field secre- said. Tass, the official news tary of the division of social hy- agency, said three infantry regigiene at the University of Ore- ments of perhaps 7500 men "were gon Medical school, according to exterminated" in beating back announcement Tuesday by Dr. heavy German attacks. Fifty tanks

(Turn to Page 2, Col. 1) Donald M. Erb, president of the Mrs. Moorhead will work with No Reports opment of a social hygiene program for the state which is being On Aleutians

WASHINGTON, June 16.-(AP) The army and navy were silent sources could be deferred be-Tuesday night on the progress of cause of his family relationship. Mrs. Moorhead has served as fighting in the Aleutian area, director of health education for where American planes are rethe Marion county department of ported to have sunk a Japanese health and executive secretary of cruiser and damaged a carrier the Marion county public health and six other vessels of the enemy gressional policy "not to break association for the past six years. invasion fleet.

She has submitted her resignation to the board of directors, efweather and poor flying condi-Mrs. Moorhead has been re- the American attacks on Japanese sponsible for the successful tu- landing parties at Attu, most re-

berculosis seal sales in Marion mote of the Aleutian chain. The latest navy communique county and it was through her efforts that Marion county was issued last night, said air atawarded its first state honor this tacks on enemy landing parties year. Tinkham Gilbert, president and their supporting naval conof the Marion county public health tingents were continuing.

association, has appointed a committee to interview applicants for Dies at Tillamook the position of executive secre-

TILLAMOOK, June 16-(AP) Franzel L. Mills, 43, prominent Mrs. Moorhead is chairman of Tillamook merchant, died here department of public welfare of Monday. Funeral services will be

Will Sail Again

WASHINGTON, June 16.-(AP) The navy announced Tuesday another "Lexington" will be launched shortly to replace the carrier destroyed in the battle of the Coral sea.

The new vessel, under construction at the Fore River plant of the Bethlehem Steel company at Quincy, Mass., had been scheduled for commissioning as the USS Cabot, the navy said. But the name was changed, spokesman explained, after 2,000 workers at the shipyard requested she be christened the Lexington to "thunder destruction on the enemies of the United States."

Dependent Aid Bill Is Passed

Amendment Designed To Prevent Breakup Of Home Life

for soldiers' and sailors' dependents and stating a congressional policy that the selective service should "not break up the insti-Tuesday by the house and sent to the White House. A measure raising the pay of the armed forces to a minimum of \$50 a month, to cover contributions to dependents, also awaits President Roosevelt's signature.

The dependents' allotment bill was intended primarily to provide assistance to the dependents of service men of the lower pay grades, up to line sergeants in the army and third class petty status of family men.

This amendment, finally approved by both branches after conference, gives the president authority, through the selective service system, to defer men having wives or children with whom they maintain a bona fide family relationship in their homes. Heretofore married men with dependents have been deferred on financial grounds.

The new legislation, while rec- carriers. ognizing the financial aspects of dependency, permits deferment of family heads primarily because of their family status. A married man whose dependents have adequate income from other

Chairman May (D-Ky) of the military committee told the house that the purpose of the amendment was to emphasize the conup the institution of the home." It was pointed out that foggy Men at the head of households, May said, will not be drafted until tions frequently have interrupted all other available manpower has

have been drafting married men with self-supporting dependents; others likely would feel that financial dependency no longer constitutes a valid reason for deferment in view of the payments

While payments under the bill should be taken into consideration, house conferees said in their report, they should not be deemed conclusively to re-(Turn to Page 2, Col. 8)

Told as Air Force Wins **Carriers Given** Nod for New

Naval Ships

Construction Bill Calls For No Battleships; Reliance Shifted

WASHINGTON, June 16-(AP) Legislators disclosed Tuesday the navy has charted a new and precedent-shattering course in warship construction, with a decision to concentrate on WASHINGTON, June 16.-(AP) building of airplane carriers at A bill making financial provision the expense of new battleships -heretofore considered the backbone of sea power.

Emphasizing growing recognition of the vital role of air power in the world conflict, the house naval committee approved an \$8,500,000,000 measure calling for 500,000 tons of carriers and omitting any provision for the measure contemplates construction of 1400 ships of all other types.

The plan to concentrate on carrie strength was considered espeofficers in the navy. It was cially significant in view of amended in the senate to make smashing American aerial blows a sweeping change in the draft at Japanese sea and air power in the Coral sea, Midway and Aleutian areas.

The decision was first disclosed by Sens. Ellender (D-La) and Brewster (R-Me), members of the senate naval affairs committee. In separate interviews, they told reporters top-ranking admirals had said the United States would start no new battleships and that some heavy cruisers, now under construction, would be converted to

Chairman Vinson (D-Ga) of the house naval committee, likewise said work has been deferred temporarily on "four or five battleships in order to concentrate on carriers." While the navy has far from abandoned battleships altogether, he said, events had proved conclusively the aircraft carrier "is the backbone of the fleet.'

The navy appeared to sound at least a temporary death-knell for the contemplated, huge 60,000-ton battlewagons which it has had under design more than a year. Brewster announced plans for these giants were being abandoned Some local boards, May said, for the present, but both he and Vinson stressed the capital ships nearing completion would be launched and commissioned as

Monday's Weather

By army request, weather forecasts are withheld and temperature data delayed. Monday's max, temp, 63, min, 52, Tuesday river, 3 ft.

Army 'Liberators' in Fight To Sink Cruiser, Others When Convoy Is Attacked

LONDON, June 16 - (AP) - US army four-motored "Liberators," RAF torpedo planes and warships of the British fleet were disclosed Tuesday night to have sunk one of Italy's two remaining heavy cruisers, left two Italian battleships battered and burning, and destroyed or damaged at least six other enemy men-of-war in the battles which have churned the central and eastern Mediterranean since Sat-

It was the first officially recorded participation of US air forces in the Mediterranean theatre, now blazing into full summer activity.

enecial communiques from the

London piled up impressive re-

ports of allied successes after two

days of axis claims of the smash-

ing of two great convoys, bound

from both east and west for Malta

and Tobruk. The Germans and

Italians announced a total of 16

allied vessels, including eight

cruisers or destroyers, had been

sunk for sure and 38 other ships

had been damaged, some of them

Replying to this, the admiralty-

air ministry communique an-

nounced flatly the convoys had

delivered the goods to both Malta

and Tobruk in the face of the

heaviest kind of attacks by su-

perior enemy naval and air forces.

British losses; they were not

specified, but the communique

said "the fantastic enemy claims

to have sunk cruisers and to

have damaged battleships and

an aircraft carrier are without

This communique listed a

10,000-ton eight inch cruiser of

the Trento class and at least two

destroyers sunk by "his majes-

ty's ships, naval aircraft, the RAF

and the United States army air

corps," in addition to heavy losses

inflicted on the axis air squadrons.

ters, however, which told the

new US army air force establish-

ment in the middle-east cracked

Sinking of the Trento cruiser

in a combined American-Brit-

ish assault; setting aftre and

damaging the two Italian bat-

(Turn to Page 2, Col. 6)

torpedo planes was:

It was the Cairo RAF headquar-

any foundation.

It was conceded there were

being called total losses.

command in Cairo and the

iralty and air ministry in

Salvager

First Participation By

US in Mediterranean



Carol Bruce, Hollywood actress, (above) meets President Roosevelt's appeal to all Americans more complete story of how the to search for scrap rubber with big Consolidated B-24's of the this batch of discarded rubber boots and tires. She ransacked the backbone of the Italian fleet her own home, canvassed her just off Italian shores. neighbors and was able to de- The total damage wrought by liver a wheelbarrow load of these American bombers and by scrap rubber to a gas station the RAF and British fleet air arm reception depot.

Rubber Hills Keep Growing

State Gives 200 Tons; Farm Senators See Rubber in Wheat

Foothills of discarded tires grew into mountains in service station yards of the mid-valley area Tuesday and more than 200 tons of scrap rubber had been sold in Oregon to roll into war production during the first 48 hours of the concentrated nationwide drive for the salvage material, state war production authorities estimated. Service stations in the Salem district affiliated with one major oil company had gathered 20 tons by Monday night; others expected to tally their purchases today, and more than 100 tons of rubber had already moved into the Portland area, it was said. One dealer here Monday was reported to have sold five carloads of tires and inner

Not just tires and tubes, although they made the greatest showing in the first day's salvage, but all types of rubber goods past their days of usefulness are wanted, it was emphasized over the nation.

County employes in Los Angeles were urged to contribute discarded rubber stamps and chair seat pads. In Washington, DC, President Roosevelt said Tuesday he thought it was a grand idea for people to contribute rubber mats from their automobiles to (Turn to Page 2, Col. 4)

FATHER'S Day

Plan now To read Your Thursday Statesman For wide Selections Of gifts For Father Offered By your Salem

Merchants!

Camp Makes Salem 'Payroll Metropolis'

The president, discussing the matter at his press conference, stock this week and reclassified remarked the tax portion of his herself as a payroll metropolis, anti-inflation program was bewhich passed without action on often after banking hours by men ury considerable money. Mr. Camp Adair. Roosevelt did not answer direct-

(Turn to Page 2, Col. 7)

Somewhere between a half ly a question whether he would million and a million dollars monthly is flowing into the rather than have the revenue capital city from the cantonment construction, a rough 000,000 goal, commenting only he check revealed Tuesday. hoped a bill would reach him

This, in addition to the seasonal increase in paychecks which begins in Salem with the strawberry harvest and the preparation of laborers, a variety of men and hopyards for the summer grow- women to whom the "big" checks ing period and to the recently of defense workers still appear restored payroll at the Oregon oversize have "salted away" a Pulp & Paper company's sawmill, portion of their earnings, but have is reflected in purchases of mer- bought also not only work clothes chandise as well as war bonds and but in many cases a better grade payment of old debts, merchants demanded, merchants indicated. and bankers declared.

At Salem chamber of

Salem, city of salaries, took merce offices where the Salem Realty board operates a housing service, "desirable" houses and apartments were snapped up almost as rapidly as they went on the rental market the past three weeks, it was said. Less call was noted for rooms or for room and board.

In spite of this apparent influx of workers and their families, by far the larger share of the cantonment payroll checks cashed here have been written to regular residents of this area, bankers believed.

Small farmers, school teachers n new bank accounts as well as of dress clothing than previously Unaware of what share of their sales were to cantonment work- employes here. State institu- ter of hours.

ers but knowing that some of them could be so credited, grocers said homemakers from families on the new payroll bought a little more lavishly, talked vitamins in preference to filling qualities of foods.

One restauranteur estimated a 33 1/4 per cent increase in business tourist trade.

Late closing hours made beer early-closing Salem business area. the workmen have moved out.

Through Salem banks last week flowed approximately \$100,000 in known cantonment payroll from definitely "outside" sources. That is, neither bank included in its figures Portland or Salem checks, although at least two primary and three or four secondary con-

tions have quoted their annual payrolls as approximately \$2,-Gloomsters who counted the

cantonment construction workers' funds spent thriftily in most cases here and looked ahead to completion of most of the work at Camp the past month which in other Adair by August 1 were reminded years might have been credited to by more optimistic persons that bids are to be opened in Portland today for construction work at the parlors and poolhalls favorites for Salem airport, and that the army the cashing of payroll checks in will have moved into Adair before

While size of the project at the Salem airport was not announced for publication, E. A. Hill, civilian superintendent, commenced work of establishing his office in the the scrap rubber collection camhangar building there Tuesday, paign, which he declared had got Surveyors staked locations for off to a big start. From the White barracks to house airmen and House family, he disclosed to The ground crews at the new airbase Associated Press, there were contractors are local firms, carrying and actual construction was ex- tributions of a basket of rubber their accounts and paying their pected to commence within a mat- toys and even his Scottie dog,