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Nazis Imperil Reds on 600 Miles; Enemy Casualties Called 35,000, Much Materiel About Voronezh

Aussies Repulse Attack

RAF Shines In Striking Away Tanks

CAIRO, July 14—(AP)—Australian desert troops have repulsed axis armored counter-attacks aimed at regaining the dominant coastal ridge at Tel El Eisa—Hill of Jesus—and the royal air force stepped up operations Tuesday against masses of tanks and motorized equipment the enemy is bringing up around El Daba.

Sixteen large-scale RAF operations by British fighter-bombers supported the ground forces defending Gen. Sir Claude Auchinleck's newly-won positions at the northern end of the Egyptian battlefront.

The German ground troops who attacked the Australian positions Monday were reported to have suffered such heavy losses that they did not renew their operations Tuesday on anything like the scale of the previous two days.

The aerial swarms were declared to have flattened the approaching axis tanks and motorborne infantry in mass operations beginning Monday.

In the first phase of the day-long battle on the north, heavy RAF bombers struck at the enemy transport columns and concentrations, and this was followed up by a big fighter-bomber attack on axis airfields to keep as many planes landlocked as possible.

As a result the enemy air activity was satisfactorily curtailed to an extent that permit the RAF to develop cooperating operations with ground forces later in the fighting against enemy attacks.

Among five German tanks destroyed by direct bomb hits were four of the powerful "Mark 3" type.

Marshal Erwin Rommel's tanks and infantry battered throughout Monday morning at the allied salient along the coastal railway west of El Alamein at intervals of approximately an hour, but each attack wilted before the three-ply defense put up by heavy artillery barrages, the Aussie ground troops and the RAF.

Scrap Depots Given Chest

Collection Campaign To Continue for War Materials

Salem's United War Chest, successor this year to the Community Chest, was designated as beneficiary of scrap donation depots to be set up in the city within the next few days, by action of the Salem salvage committee at the chamber of commerce Tuesday night.

C. W. Paulus, county salvage chairman, who presided over the meeting, said any individual organization desiring to put on a scrap salvage drive of its own, selling material collected to dealers and pocketing the profits, was not only privileged but also urged to do so.

"The aim of the national war scrap drive is to salvage all material possible," Paulus emphasized.

A continuing campaign for the collection of scrap rubber will be carried on along with drives for salvage of metals and fats, Ralph Mitchell, executive secretary of the Oregon salvage committee, told the local group.

Housewives planning to save all waste fats for wartime use were avise by G. F. "Ted" Chambers, fats drive chairman, that Mondays, Tuesdays and Wednesdays had been designated as days

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Service Men

Mrs. Mildred Mortenson, Salem, has received a cablegram from her grandson, Pvt. Robert Gabriel, that he is now in Palestine. He is a radio operator with the army air corps. Since joining the air corps in December, 1939, Pvt. Gabriel has also been in Australia and India. He is formerly of Cascadia, Ore., but has spent several summers in Salem and has many friends here.

For additional news about men from Salem and vicinity in the armed forces, turn to page five of today's Statesman.

The M-4 Goes Streamlined

Uncle Sam's new and improved M-4 tank, with its lower silhouette and with no abrupt angles, makes a more difficult target to hit. "All 'round" firing power is provided by its major 75-calibre gun, which is raised and put in a traverse turret. Many machine guns are also carried. These tanks are constructed of cast or welded hulls, which speeds production. This is an official US army photo.

Japs Lost 20 Ships in Midway Battle, US 2, Review Shows

Personnel Losses 4800 for Enemy, 307 Americans; Navy Tells Story Of Planes' Sinking of Carriers

WASHINGTON, July 14—(AP)—The navy announced Tuesday night in a resume of the month's old battle of Midway that the Japanese had lost 20 ships, including four aircraft carriers, sunk or damaged plus 275 aircraft destroyed or lost at sea and 4800 men killed or drowned.

The official communique, first complete review of the historic action yet issued, said American losses were the 19,900 ton aircraft carrier Yorktown, "put out of action," and the destroyer Hammann, which was torpedoed in the closing stages of the fight.

"Our total personnel losses were 92 officers and 215 enlisted men," the communique said.

In a description of the course of the battle which started June 3 and lasted through June 6 when the enemy was in full retreat there were numerous references to American planes either being shot down or failing to return to their bases, but no total of aircraft losses was given.

The Japanese, it was disclosed, had collected an armada of approximately 80 ships for the grand assault on Midway, vital outpost of the Hawaiian stronghold.

The enemy apparently decided to turn back, however, at the first evidence of strong resistance. The navy said the Japanese retreat began on the morning of June 4 at a time when it was estimated only about 10 of their ships had been damaged and when American officers expected the attack would still be pressed forward.

As a result of the action, in which naval surface craft and army, navy and marine aircraft participated, the navy said this damage was inflicted upon the enemy:

"(A) Four Japanese aircraft carriers, the Kaga, Akagi, Soryu and Hiryu, were sunk.

"(B) Three battleships damage by bomb hits, one severely.

"(C) Two heavy cruisers, the Mogami and the Mikuma, were sunk. Three others were damaged, one or two severely.

"(D) One light cruiser was damaged.

"(E) Three destroyers were sunk and several others were damaged by bombs.

"(F) At least three transports or auxiliary ships were damaged, and one or more sunk.

"(G) An estimated 275 Japanese aircraft were destroyed or lost at sea through lack of flight decks on which to land.

"(H) Approximately 4800 Japanese were killed or drowned."

The carrier Yorktown was put out of action in what amounted to a long range duel of planes between the United States ship and the Japanese carrier Hiryu which, at that time, June 4, was still undamaged.

A force of 36 enemy planes found the Yorktown and her escorting ships and attacked. Those planes were from the Hiryu.

"Eleven of 18 Japanese bombers in the group were shot down by our fighters before their bombs were dropped," the communique reported. "Seven got through our fighter protection. Of these seven

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Compromise Is Made on Farms

Conference Proposal May Break Lockup Over New Funds

WASHINGTON, July 14—(AP) Senate and house conferees Tuesday worked out a compromise designed to break a two months' old deadlock on the agriculture department's $680,000,000 appropriation bill, but thinned house ranks postponed a final vote on the agreement.

The proposal tentatively was approved on a standing vote of 81 to 34 but Rep. Hope (R-Kas) objected on the ground no quorum was present, and the house was adjourned. It previously had been agreed that because of the large number of absentees, no roll-call vote on the controversial measure would be taken until Wednesday.

The proposal represented a splitting of the differences between the senate and the house on appropriation items and concessions on the matter of permitting the sale of government-controlled grain surpluses at prices below parity for livestock feeding.

Chairman Cannon (D-Mo) of the appropriations committee said the compromise was "ideal" in that it "suits nobody and is agreeable to everybody."

The house quickly agreed to the compromise appropriation items, and indications were the senate would do likewise.

House conferees expressed belief the senate would accept the surplus grain sales proposal

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Fighters Raid Nazi Regions

Firing of Three Ships Follows Bombing Of Ruhr Area

LONDON, July 14.—(AP)—British fighter patrols, maintaining their offensive against German-occupied territories, attacked railways and airfields in northern France both morning and afternoon and set three small ships on fire off Ostend, the air ministry announced Tuesday night.

The fighter attacks followed renewed strong force bombing expeditions over the Ruhr Monday night. The Germans admitted Duisberg, Germany's great inland port, was raided. British pilots set fires in a big industrial area in what they described as a "good medium-sized show."

During the day, an official communique said "fighters were on offensive patrol over northern France where they attacked railways and airfields."

One British plane was lost during the day operations, the communique declared.

Schools Slate War Insurance

Harland Is Chairman; Teachers Employed; Ward Honored

Reorganization for a new year of activity, decision to cover the district's $2,000,000 worth of properties with war damage insurance and approval of personnel changes in the teaching staff featured Tuesday night's meeting of Salem school directors.

Roy Harland, Salem attorney whose term expires next year, was elected chairman of the board, succeeding Mrs. David Wright, recently reelected to the directorate.

Mrs. Wright was named chairman of the buildings and grounds committee, of which Ralph Campbell is the second member. Donald Young was named chairman of the committee on supplies with Dr. L. E. Barrick as fellow member. Campbell was appointed to handle insurance; Mrs. Wright, health matters; Harland, employment, and Barrick, finance. Young was appointed as the board's member of the city playgrounds committee.

Clifford Bullock, who in May left the city system for private employment, was reinstated and named assistant principal at Parrish junior high school, a post created in the recently-

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House Group Okehs Taxes

Corporation Rates of Wartime Bill Said Result of Logroll

WASHINGTON, July 14—(AP) The house ways and means committee formally approved a new $6,144,000,000 wartime revenue bill Tuesday containing corporation rates which Rep. Knutson (R-Minn.) said in a minority report were "arrived at through a series of trades and shameless logrolling" and which would injure corporations engaged in the war effort.

In a formal report to the house, which will start debating the big bill Thursday, the committee majority said it had tried to obtain "every dollar of additional revenue which, in its opinion, the national economy can bear." It added "care has been exercised in every instance not to place an unbearable burden upon any taxpayer."

Knutson referred to the fact the committee at the last minute changed corporation rates so the excess profits levies would be less severe and the normal taxes would be higher. The members changed the flat excess profits tax rate from 94 to 87½ per cent and boosted the combined normal and surtax rate from 40 to 45 per cent.

The committee's report estimated the present federal tax structure would produce about $17,000,000,000 in this fiscal year while expenditures have been estimated at $73,000,000,000 for the same period and may increase.

"Even under these figures, however, a deficit of more than $56,000,000,000 would result except for the revenues under this bill," the committee said. "While the bill is estimated to product $6,144,000,000 in a full year of operation, its estimated yield for the fiscal year 1943 is $4,026,000,000."

Allies Bomb Salamaua

GENERAL MacARTHUR'S HEADQUARTERS, Australia, Wednesday, July 15.—(AP)—Allied planes bombed the Japanese-held airdrome at Salamaua, New Guinea, Tuesday and attacked the wharf at Kalabahi on Alor island, starting fires and sinking a small vessel, allied headquarters announced in its daily communique Wednesday.

Shipyard Bus Plan Proposed

Meeting Set Here Tonight; Keeping Residence Aim

Possibility that homes and pay checks of 400 or more Salem men destined to enter war industries may be kept in the capital city was held out Tuesday night by a chamber of commerce committee which spent the day in Portland conferring with representatives of the Kaiser shipbuilding organization, transportation lines and the federal housing administration.

A mass meeting of all Salem workers in Portland war industries, and of other residents now in training for or planning to obtain defense plant jobs is to be held at the chamber of commerce at 8 o'clock tonight. Transportation arrangements to enable them to keep their homes in Salem and training plans will be discussed by Ray J. Stumbo, chairman of the Salem draft board, and others.

Manager Cochran of the chamber Tuesday urged all persons interested to attend the meeting.

"There is no question about the Kaiser yards wanting Salem men, to the extent that they are willing to help us work out the problem of getting them to and from work," Ray J. Stumbo, recently-appointed city transportation chairman, reported. "They also offer to put all Salem men in the same yard, to simplify matters."

Stumbo said he believed it would prove possible to arrange for enough busses to carry Salem shipyard workers to and from the Kaiser ferry slip being installed on the west Portland waterfront, with a travel time of 1½ hours.

Also chairman of the local draft board, Stumbo pointed out that the program of urging men to enter war industries now under way would severely deplete the manpower and income of the city unless a way were found to keep them as residents of Salem.

"We hope we can work this out and also that no one type of local business or industry need be seriously depleted as to manpower," Stumbo added.

Salem's war trades training school as now operating can turn out 50 men a week for defense industries, the draft chairman pointed out.

The chamber committee, which consisted in addition to Stumbo, of Business Extension Manager Clay C. Cochran and F. I. Bressler, also brought back the report that federal housing officials had indicated a declaration placing Salem in a critical area for construction of defense housing might be obtainable in the near future.

Cochran said necessary application letters would be mailed today to the housing authority.

Reargument Of Murder Appeal Set

Reargument of the first degree murder appeal of William H. Wallace, Portland, on September 8 was ordered by the state supreme court here Tuesday in an oral directive. Wallace has been under sentence to die in the penitentiary lethal gas chamber for the slaying of Ben Finkell, 32, in Portland in August, 1941.

No reason for ordering the new hearing, following the original arguments presented three weeks ago, was given by the court.

Wallace based his appeal on the refusal of the Multnomah circuit court to permit him to use an insanity plea as a defense.

(Additional supreme court story on page five.)

Monday's Weather

Monday's max. temp. 79, min. 54. River Sunday, -2.1 ft. By army request, weather forecasts are withheld (and temperature data delayed.

Where Reds Pushed Back

Drives begun earlier in the week in the Rostov area (1) were quiet early Wednesday morning, but to the north Russian retreats under heavy blows were reported at Boguchar (3) and Voronezh (3), where possible objectives are indicated by shaded arrows in above map. The Rzhex-Kalinin sectors (4) were also quieted. (Associated Press Telemat.)

Allied Attack Hope On Bastille Day; Gestapo Is Busy

British Bombers Message Promises For Liberation of France; Vichy Refused US Ship-Moving Offers

By J. WES GALLAGHER

LONDON, July 14—(AP)—The "shadow armies" of France and other subjugated lands observed the Bastille anniversary Tuesday as the portent of an allied invasion, while the Germans tightened their channel defenses and Gestapo execution squads worked overtime.

British bombers roaring over northern France, Paris and Vichy dropped 5,000,000 messages from British Foreign Secretary Anthony Eden promising the liberation of France and aid to nazi-enslaved millions.

"We know," the messages read, "that we and the people of France will again be brothers in arms."

Amid rising anti-German violence and sabotage on the continent, a Yugoslav government spokesman declared 700 Croats had been killed by the Germans in reprisal for the assassination of the gestapo chief at Zagreb, a Major Hiem.

He was killed by a hand grenade thrown into his car on the main street of Zagreb, a supposedly "safe city" in nazi-overrun Yugoslavia, and the capital of an axis puppet government.

"The gestapo guards ran amuck after the bombing," the spokesman said, "shooting at everyone moving on the street and hurling hand grenades through nearby windows."

The closest thing to an allied second front in Europe has been established for some time in the Serbian mountains south of Zagreb where 100,000 Yugoslave patriots under Gen. Draja Mihailovic are waging a war of attrition against German-Italian troops.

France herself was reported free of major violence on this anniversary commemorating the storming of Bastille prison in Paris July 14, 1789, classic symbol of the overthrow of political tyranny.

WASHINGTON, July 14—(AP) While axis forces drove toward Alexandria earlier this month, President Roosevelt proposed to Vichy that French warships there be removed, and twice the proposals were rejected, the state department disclosed Tuesday.

The rejections were in the face of a warning from the president that unless the proposals were accepted the British would be justified in ordering the warships

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Varied Raids Sink Vessels

Torpedo Fatal When 10 Minutes Before US Ship's Drill

By The Associated Press

The sinking of a United States merchant vessel, the torpedoing of another which managed to reach reach port under cover of a smoke screen, and the dive-bomber sinking of a Panamanian vessel in the Indian ocean comprised the navy's latest reports Tuesday on the war at sea.

A German U-boat sank a medium sized American ship in broad daylight 200 miles off South America June 27 and another submarine torpedoed a Norwegian ship June 23, raising The Associated Press unofficial tabulation of western Atlantic sinkings to 371.

La Prensa reported the Norwegian sinking from Mexico City, declaring 25 survivors had been brought to Progreso by a fruit boat which picked them up. The captain and seven crewmen were killed.

In the attack on the American ship 10 of the 36-man crew lost their lives. Ironically, the captain reported, all might have been saved had the torpedo struck 10 minutes later when all hands would have been on deck for lifeboat drill.

The other medium-sized American merchantman limped safely into a United States port, a gaping hole in her side, after being torpedoed May 22 in the Caribbean. A smoke screen helped her dodge through reef-studded waters to safety. Two of the 39-man crew were injured.

The Panamanian vessel of medium size went down under a lone Japanese dive bomber which

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Second Front Asked

Soviets Savagely Fight, Retreat From Nazi Trap

By EDDY GILMORE

MOSCOW, Wednesday, July 15—(AP)—A crushing German drive imperilled nearly 600 miles of Russia's front early Wednesday, but the soviets said the red army still was fighting savagely in the Voronezh sector, where one formation alone killed and wounded more than 35,000 nazis in ten days.

The soviets acknowledged their troops were taking hammer blows both at Voronezh and Boguchar to the south in the Don valley. At the latter point the Russians again retreated to new positions after being almost trapped in a nazi encirclement attempt.

Besides the enormous casualties suffered at Voronezh, the Germans were said to have lost 157 tanks, 341 anti-tank and field guns and machineguns, and hundreds of supply wagons.

The midnight communique did not disclose any significant changes in the fighting which extended to the Rzhev area northwest of Moscow.

But there also was no attempt to minimize the gravity of the situation. Instead soviet commentators emphasized this peril and called upon the allies to open a second front in the west.

"The battles on the eastern front are the battles for New York and London," the Moscow radio announcer said.

Chinese Push Japs, 2 Areas

Enemy Columns at Wenchow on Coast Of Chekiang

CHUNGKING, July 14—(AP) Japanese columns plunging southward through the heart of Chekiang province have reached Wenchow on the coast, the Chinese high command said Tuesday night, but added that on two other fronts the Chinese had the enemy on the run.

Wenchow, hitherto one of the few important ports remaining in Chinese hands, was gravely menaced by Japanese troops which pushed into the city's environs Saturday night, the high command said. (The Japanese announced Wenchow's capture Saturday.

The drive to Wenchow thrust Japan's second avenue of conquest across Chekiang. The first, completed last month, followed the line of vital Chekiang-Kiangsi railway, from Hangchow, the Japanese-held capital in the north, southwest across the province into Kiangsi.

In neighboring Kiangsi province, the Chinese said their army had hurled the invader back to the outskirts of Linchwan, starting point of a frustrated drive to the west. Three Chinese were reported in pursuit of the Japanese, whose original number was estimated at 30,000 when the Chinese first sprung their own offensive last week.

On the Shansi-Honan front in the north, these Chinese said some 800 Japanese were killed when they were surrounded in the town of Lingchwan, in southeastern Shainsi. The remainder of the enemy garrison was reported in flight toward Tsingkao.

Toledo Asks Aid, Road's Extension

NEWPORT, July 14—(AP)—The Toledo chamber of commerce renewed its appeal for aid in getting extension of highway No. 20 Tuesday in a letter to Arch Sanders, secretary of the Oregon Coast Highway association.

The chamber pointed out that the national coast-to-coast highway ends at Albany, 65 miles inland. It said it should be extended to Newport.