By KIRKE L. SIMPSON

The Russians have announced their withdrawal from Rostoy, at the portal of the Caucasus, and Berlin says the Soviet's defense line is tottering all along the lower Don from the Rostov area eastward to the great bend of the river 50 miles or less

Appear Fewer

Season to Begin Next

Week, Spread Over

(Continued from Page 1)

"The harvest problem has to be

handled by the people of the dis-

trict; there are no migratory

workers this year," W. H. Baillie,

manager of the local employment

"It behooves the people of Sa-

lem and the other towns of the

area to see to it that these crops

Businessmen in many towns of

the Willamette valley have made

plans to delay opening of their

PORTLAND, Ore., July 27-(AP)

Friends said here Monday that the

Jasper N. Bellinger mentioned as

among American newspaper men

Bellinger's name was included

in a dispatch by Otto D. Tolis-

chus, New York Times correspond-

ent, from Lourenco Marques,

Portuguese East Africa, where

Americans from Japan are wait-

Tolischus said Bellinger, who

had been working for the Japan

Times Advertiser, was among

four newspaper men and women

at least 18 months in prison, but

that Bellinger escaped sentence.

He did not say whether Bellinger

Bellinger is a University of Ore-

gon graduate, and a post-graduate

student of Willamette university.

From 1937 to 1939 he taught Eng-

lish in Aoyama Gakuin college in

country in 1939 before returning

Bellinger was a member of The

Statesman news staff for a num-

ber of months in 1936 and 1937,

shortly before he accepted the

SACRAMENTO, July 27 -(AP)

The site of a proposed regional

office of the council of state gov-

ernments, to represent seven

western states in activities among

themselves and with the federal

government, was changed from

Sacramento to San Francisco

Monday by the California com-

mission on interstate cooperation.

\$6000 in state funds to help fi-

nance the office. Other states in

VALLEJO, Calif., July 27-(AP)

Robert A. "Bones" Hamilton, for-

mer Stanford university blocking

quarterback, is in the Mare island

He has been in the hospital

WASHINGTON, July 27.-(AP)

Speaker Rayburn said after a talk

with President Roosevelt Monday

he expected congress—at least the house end of it—to be in informal

recess five or six weeks.

the region include Oregon, Wash-

Commissioners voted to spend

teaching assignment in Japan.

Regional States'

Office Is Moved

to Tokyo to newspaper work.

sujected to physical torture.

ing a IIS-bound ship.

was en route home.

arrested by Japanese in Tokyo is a

former Lebanon, Ore., resident.

Longer Period

ing to advance estimates.

service, said Monday.

are harvested."

been set.

from Stalingrad and the Volga. The same communique telling of the withdrawal from Rostov, Bean Pickers which the red army wrested back from the Germans last winter, reported abandonment of Novocherkassk, 20 miles to the northeast of Rostov. Earlier, Moscow admitted at least two bridgeheads on the south bank of the Don were in enemy hands east of the Donets inflow.

Novocherkassk is several miles upstream on a small river flowing into the Don from the north.

Whether the nazis' claim to have captured Bataisk junction, 20 miles south of Rostov on the main rail and pipeline routes in the Caucasus, represents still another crossing of the Don or a flanking operation down the south bank of the river is not clear.

It makes little difference. In either case the plight of the whole Russian left flank is critical if Bataisk has been taken. That could represent entrapment of all Russian forces south of the Don below the Donets confluence to the Sea of Azov, and collapse of the lower Don defense line at its strongest

Bataisk is a point on the Rosway takes off westward to the vest field. town of Azov on one of the multiple mouths of the Don. In German hands that junction not only gel, Gervais, McMinnville, Newrepresents an immediate threat to berg and Woodburn. the Maikop oil fields, less than vasion route to the Caucasus from J. N. Bellinger 200 miles farther south; but a pos-Tagonrog. It is less than 30 miles airline from Tagonrog to Azov Said Tortured across the narrowing northeastern arm of the Sea of Azov across By Japanese the narrowing northeastern arm of the Sea of Azov below Rostov

The whole northwestern bulge of the Caucasus to the Maikop oilfields could be quickly cut off by a further German surge southward from Bataisk. While that field itself is of minor importance compared to the great Caspian shore pools, the Germans, if they reached it, would be astride both routes to Baku. They would be in a position to strike down both the north and south flanks of the forbidding Caucasus range even if they had failed to reach the Volga beyond the Don bend.

Berlin asserted the Don had been crossed east of the Donets confluence several days before Moscow admitted bridgeheads had been established on the south bank in that region. There was no mention of the Bataisk operation from Moscow as this was written, but specific German claims of that nature rarely have proved incorrect. The probabilities are, therefore, Bataisk has been at least invested although it seems unlikely the Don line was crossed in the Rostov region to Japan. He made a trip to this

However this new and most menacing German thrust into the Caucasus was achieved, it has only one encouraging aspect from an allied nation viewpoint. It tends to confirm the impression the whole nazi offensive revolves around Hitler's urgent necessity of obtaining new and considerable oil sources before winter closes in again. The tremendous scope of his offensive operations in Russia is drawing heavily on his reserve stocks of natural or synthetic fuels, as is his long-distance sea blockade campaign in American waters.

It goes without saying the Maikop region wells, refineries and pipelines will be destroyed under the soviet scorched-earth policy if the threat becomes more imminent. Destruction crews are probably already assigned to do the job and do it thoroughly.

Even with pipeline or rail con- ington, Idaho, Nevada, Arizona nections with the Caspian fields and Utah. broken, Russian needs could be served by sea and Volga barges so long as red armies retained con- Hamilton Hit by trol of that transportation means.

Heart Ailment There can be small doubt, however, that very considerable Russian forces along the lower Don below the Donets inflow and in the northwestern triangle of the Caucasus which fronts on the sea of Arov are in deadly peril if the navy hospital under treatment for Germans are already behind them a heart ailment.

A desperate retreat southward about eight days. Attendants said before the trap closes completely his stay would be "indefinite." may confront the whole southern flank of Marshal Timoshenko's Congressmen Relax line if the claimed nazi spearhead at Bataisk cannot be pinched off without relay.

#### **Nutrition Meet Set**

# Joint Return Plan Rejected

Three Other Treasury Plans Kept in Mind **Include Bond Tax** 

(Continued From Page 1)

oses. Sometimes their total taxes are lower than if each had to file returns on income actually

The vote against federal taxation of the income from outstanding issues of state and municipal bonds also was said to have been 14 to 2. What was described as a large majority, however, favored taxation of future issues.

The treasury had estimated that taxation of outstanding issues would raise about \$200,000,000 but taxes on future issues were \$3,000,000 in the first year.

calculated to yield only about The group was said to have voted 9 to 6 to hold open for future study the question of changing oil and mining deple-

tion calculation methods. A huge increase in taxation, so that half the government's expenditures would be met out of current revenue instead of borrowing, was advocated by Sena-15, and the three harvests will be finished by October 1, accordtor Wiley (R-Wis).

"We should not consider for Bean pickers will receive one one moment passing on to the following generation more than and three-quarters cents a pound 50 per cent of the cost of this and a quarter cent bonus. Prune war," he said in a senate speech. ing is going on with fluctuating tions.) and hop picking prices have not "If we do we are lickers."

The pending \$6,271,000,000 would bring total federal revenues to a total of only \$22,-000,000,000, he said, as against prospective war expenditures of \$72,000,000,000 during the next

Wiley suggested "timid, mincing steps" be abandoned; that congress raise \$36,000,000,000 by \$36,000,000,000 in war bonds.

All senators voting for this places of business at least until plan, he said, could demonstrate 10 o'clock in the morning to pertov-Baku railroad where a high- mit employes to work in the har- leadership by pledging one-third of their net income to the pur-Towns where this has been ar- chase of government bonds. The senate finance committee Crimea. ranged include Stayton, Mt. An-

heard a proposal for "advancing the clock" on income tax collections by collecting a treasury bookkeeping operation which would credit this year's payments on 1942 instead of 1941 taxes, making collections current there-

Beardsley Ruml, of R. H. Macy & Co., New York, advanced this suggestion. The plan, he said, would cance every individual's 1941 income tax liability but would cost the treasury little if anything in

He said this could be accomplished by considering the payments made this year by individuals as collections on 1942, instead of 1944 income. For purposes of these payments, the individual would calculate his 1942 revenue at the exact amount of his actual revenue in 1941. By the end of this year, the witness said, all individuals then would have paid their current tax bill.

#### **Greyhound Wage** correspondent were sentenced to Dispute Gives Strike Threat

SAN FRANCISCO, July 27-(AP) A month-old wage arbitration dispute between the Pacific Greyhound lines and some 1300 AFL bus drivers and other employes threatened Monday to develop into a tieup of Greyhound lines in seven states.

F. W. Ackerman, company vice the union membership was balloting secretly on a proposal to suspend work" in California, Oregon, Nevada, Utah, Arizona,

New Mexico and Texas. The dispute was disclosed when the company asked the San Francisco superior court Monday to determine what rights both parties have under a work contract

which expires August 31. The company asserted it had een trying vainly since July 1 to enter into negotiations with the AFL amalgamated association of street, electric railway and motor coach employes of America for a new working agreement.

#### Mussolini's Barber And Chef Victims

NEW YORK, July 27-(AP)-One of the Italian convoying planes which flew on Premier Mussolini's trip to north Africa, which was "to reaching Moscow. end in triumph and, of course, in Cairo," was shot down by the RAF and his personal chef and barber were drowned, the BBC said Monday night in a broadcast heard by CBS.

Rome broadcasts Saturday said Mussolini flew to north Africa after the fall of Tobruk and that he returned to his capital July 20.

#### Late Sports

LOS ANGELES, July 27-(P) Seals 001 000 100-2 9 Los Angeles 202 100 01°-6 15 1 Seats, Epperly (7) and Sprinz; Mallory and Todd.

CORVALLIS, July 27-(A)—Dean Ava B. Milam, state chairman of nutrition committees for defense, announced Monday that the state and Portland Wednesday with national and regional directors.

NEW YORK, July 27.-(A) night at Voronezh, 300 miles north of Rostov, on the harassed north-lulu Costantino of New York to-day were signed by Promoter Mike Jacobs for a 15-round featherweight title bout at Madinassk and Tsimilyansk.

NEW YORK, July 27.-(A) night at Voronezh, 300 miles north of Rostov, on the harassed north-lulu Costantino of New York to-day were signed by Promoter Mike Jacobs for a 15-round featherweight title bout at Madinassk and Tsimilyansk.

The Germans said their east-

### FBI Hunts Nazi Saboteur Throughout Nation's Borders





Soundphotos show (left to right) Walter Kappe, alias Walter Kappel, 37-year-old lieutenant in the intelligence section of the German army; Rheinhold Rudolf Barth, railroad draftsman and saboteur, and Joseph Schmidt, alias Paul Schmidt, who fled from Canada to Mexico, then to Germany, at the outbreak of war. The department of justice issued wanted circulars identifying the men as nazi saboteurs ordered to the United States by the German high command to destroy vital war industries. Information concerning the men was believed to have been obtained from the eight nazi saboteurs landed on the Atlantic coast by a German U-boat.

Scrapping of

Acting Secretary of the Navy

According to Forrestal, the re-

the vessel scrapped, since it be-

disposed of only by the navy.

such as the battleship Oregon

tor, and should be preserved until

WILLAMINA, Ore., July 27(AP)

Collision of three automobiles

killed one person and injured four

others at New Grand Ronde near

McGee, four-year-old daughter of

lamina, who were hospitalized,

the father with serious spinal in-

juries and the mother with mul-

The occupants of the second

wife chest injuries. Both were

The driver of the third car

Don D. Mann, Delake, escaped

Albany Woman Is

glove compartment of an automo-

The woman, shot in the jaw

condition was described as not

DEPOE BAY, July 27-(AP)Sal-

vage operations on a fishing boat

to have drifted into shallow water.

HOLLYWOOD

Today and Wednesday

Claudette COLBERT

Ray MILLAND

Brian AHERNE

Mr. Dug Goes to Town"

IN TECHNICOLOR

May Be Salvaged

Wounded by Gun

tiple head injuries.

hospitalized.

longed to the navy and could be

Although the need for metals is

James Forrestal as stated in a let-

Last Resort

Charles A. Sprague.

# Germans Across Don River In Giant Battle for Oil

(Continued From Page 1) terminus for Caucasian oil and foods, and a shipbuilding center near the corner of the sea of

Tuesday's war bulletin said of the Tsimlyansk area:

"The enemy repeatedly attempted to cross the river. Fight- river and railway communica-

"In one sector the Germans succeeded in pushing forward but of soviet troops and lost during Oregon Only were stemmed by a counter-attack this engagement 350 officers and The phrase "fluctuating suc-

cesses" bore out press dispatches which acknowledged the Germans were flowing across the Don despite the wrecking of numerous taxation and insist Americans buy nazi pontoons by soviet airmen and artillery.

The retreat south of Rostov further endangered the soviets ter received Monday by Gov. because it increased the possibilities of a nazi attack on the red flank from the German-held

The outlook for the Russians was admittedly darker than ever now because the soviet people had hoped the Don barrier would be held at any cost. But all Russian dispatches repeatedly emphasized the numerical superiority of the attacking nazi army.

Not only is the Caucasus rich great, Forrestal said, "memorials, in oil and grain, but it is the gateway for allied supplies from the representing in their being the middle east. Its severance from spirit and traditions of the navy the Russian hinterland would be and of the country it represents, an extremely heavy jolt to the red constitute a distinct morale facmilitary machine.

The Germans also have the ad- all other sources of materials have vantage of several months of good been exhausted." fighting weather ahead.

Only in the Voronezh area 300 Child Killed Russians claiming any distinct success. There the red army was reported to have made spotter As Autos Hit ported to have made another crossing of the Don to the western bank after wiping out thousands of nazi troops.

But the Russian successes in the Voronezh area thus far have not endangered the left nazi flank enough to stem the southeastward German tide which threatens the Mr. and Mrs. Collie McGee, Wil-Caucasus and Stalingrad on the Volga communications route.

Russian dispatches said the lower Don river between Rostov and Tsimlyansk was breached only at terrific cost to the Germans-but the Germans did cross.

Thousands of dead Germans littered the banks of the river or slipped downstream in the swift president, said he had discovered current along the smashed pontoons, these dispatches said. But long coils of German reserves always were there to take the place of the fallen, the Russians ad-

This new, surging enemy tide and bracing central resistance by the red armies, coupled with aerial warfare of a scope and intensity hitherto unexceeded turned this encounter of tangling masses into one of the greatest battles of his- of a .22 calibre pistol found in a

It was obviously the most im- bile in which she was sitting. portant battle fought on Russian soil since the Germans first crunched into Russia's western buffer front on June 22 last year. serious. The oil, mineral and agricultural riches of the Caucasus are at stake and with them Russia's southern Sunk Fishing Boat lifeline from her allies in the middle east.

Both the Germans and the Russians put on a terrific show in

Day and night the heavens were filled with fighters and bombers, the Russians drawing heavily on planes from the United States, The roar and whine of planes in twisting combat, the blasting of aerial cannon and thunderous burst of bombs at times blanketed the tumult of battle aground.

The whole Steppe land inside the Don bend and the river slopes in places were splotched by the wildfire of battle. Fires spread through the ripening grainfields which provided ideal terrain for tanks maneuvering by the hun-

With typical restrain, the early morning Russian communique said fighting continued through Sunday

Hit Hamburg Great Explosions and bound forces had reached the Don **Eires Made by RAF** bend on a broad front facing Stalingrad. Although the geography of In Renewed Attack

this claim was not clear, Berlin indicated the attackers were with-(Continued from Page 1) in 50 miles of Stalingrad and istry said relatively little damage added that violent air attacks had been launched against Stalingrad's

The big Blohm and Voss shipyards, said to be capable of building 25 submarines at a time, were believed to have been one of the RAF's principal targets at Ham-

600 Bombers

Other objectives were the seaplane factory, oil refineries, explosive works and miles of docks which have been battered six times this year and 91 since the The battleship Oregon should start of the war. The last attack not be scrapped until all other on the port was the night of May sources of material have been ex- 3. hausted. This is the opinion of The air ministry news service

> said the wave of bombers dropped all the explosives they could carry in one concentrated blast at the The second wave swept over

quest to the governor that the within 35 minutes, showering ship be scrapped was made by down high explosives and incenthe Seattle office of the war pro- diaries. duction board without the knowl-"Much of the old town was on edge of the navy department and fire," the news service reported.

the governor's answer to the "There were fires all around Ausboard was correct. He added that sen-Alster lake, and there were the WPB had no authority to have many in the dock area." Pillars of black smoke were rising but as yet they were not drifting over the town. The target was clearly exposed for the attack of the last wave of

> loaded with high explosives, including many 4000 - pound Appearance of US army fighter pilots in weekend RAF forays over the continent further tipped the scales in favor of the allies in the the court. It did not say how many

The pilots are flying British Spitfires, but later they are expected to have their own latest

## Jap Raiders Fatally injured was Kathleen Hit Darwin

GENERAL MacARTHUR'S HEADQUARTERS, Australia, Tuesday, July 28-(AP)-Japanese raiders attacked Darwin in northern Australia twice Monday night and attempted to attack Towns- Justice Douglas in Oregon and car, Frank High, Taft, suffered ville on the northeastern coast, a he already is on the train. broken ribs and bruises, and his communique said Tuesday.

No damage or casualties occurred at Darwin, where from three to five planes flew over the city, the communique said.

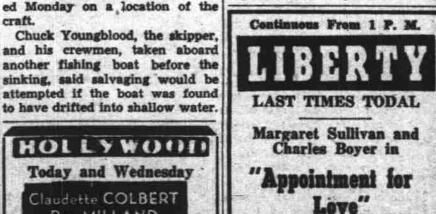
Meanwhile, allied bombers and fighters continued their attacks on the new Japanese bases in New Guinea, a group of dive bombers blowing up an ammunition dump, the communique said.

Other allied airmen ranged far ALBANY, July 27-(AP)-State to the northwest to score direct Policeman Curtis Chambers said hits on an airdrome and barracks Monday an investigation had been at Japanese-held Joepang in started of the wounding of Mrs. Dutch Timor. Fires were left in R. R. Ermer, 18, by the dicharge their wake.

#### Cheese Is Victory was taken to a hospital where her Special for Week

WASHINGTON, July 27.-(P) The agriculture department Monday designated cheese as the victory food special from August 17 As a part of a program for

widening distribution of abundant commodities, the nation's retail stores will be expected to focus the skies, accordin gto advices which foundered Sunday off the consumer attention on cheese durnorth Lincoln county coast await- ing the two-week period.



-PLUS -"STEEL AGAINST THE SKY" With Alexis Smith and Lloyd Nolan

COMEDY Love, 2:45-5:45-8:50 Steel, 1:15-4:15-720-1020

## A. M. Eby Dies in Fire

Origin Unknown of Blaze in Upstairs Studio Business

(Continued From Page 1) Carrie May Eby, who was not at the apartment when the fire occurred; daughters, Mrs. Ernest Garrett of 981 North 15th street,

Salem, and Mrs. Chester B. Doerr of Portland; sons, A. Edwin Eby of Bremerton, Wash., Willis E Eby of Hood River, and Donald M. Eby of Portland, and one brother, D. M. Eby of Salem. Members of the family said no funeral arrangements would be made before today.

Damage to the building and the business firms it housed could not be ascertained Monday night, although Otto Klett, owner of the more-than-60year-old structure, said it was insured for \$15,000, "more than enough to cover my loss."

Water damage to the Quelle restaurant below would run between \$4000 and \$5000, Frank Chatas, owner, believed. The fixtures had been insured for \$2000 it was understood. Today the restaurant would normally be closed under Salem restaurant men's

Smoke and water damage to Joe's Upstairs Clothiers was unestimated. There, too, insurance was said to be for \$2000.

Loss to the Morris Optical company, downstairs and just east of the Quelle, was believed to be limited to minor water and smoke "biuld ships faster than Hitler can

In the studio apartment of the Ebys, the kitchen and bathroom at the rear were blackened by smoke; the bedroom was gutted, part of the partition leading into the living room blown away by what firemen termed a "backdraught" explosion caused by firemade gases; the living room was somewhat burned, smoke darkened and thoroughly wet, and damage to the studio reception room was believed fimited to smoke, water and broken win-

### 7 Saboteurs Seek Writs

the commission.

(Continued from Page 1) as if they had never gone before

Announcement of the special kaiser Offers cent history, was issued by Charles Elmore Cropley, clerk of long struggle for mastery of the of the prisoners were petitioning, but other sources said seven. There was unofficial speculation the man who did not petition is George John Dasch. He is reported to have given the FBI valuable information and is represented by separate defense counsel.

If the court refuses to entertain the petitions, the military commission will hear final arguments from both sides starting Thursday, and proceed to consider a verdict.

To convene the special term, the nine supreme court justices had to be summoned from their homes and vacation retreats throughout the country. Farthest away was

### Atlantic Ship Loss Is 401

water menace. Into production it has thrown the facilities of the world's greatest shipyards.

Lynn Bari

DOPE

AND

BLOSSOMS

AND

"I Love You Again"

Garson

IN THE DUST"



Jernstadt Said **Better Monday** 

McMINNVILLE, July 27-(AP) Condition of AVG Flight Leader Kenneth Jernstedt was declared improved Monday by Dr. E. H. Barendrick, who said the Flying Tiger's illness had been diagnosed as Dengue fever contracted while he was on duty in Burma and

Barendrick said that the ace's temperature, which was 104 degrees when he was rushed to a hospital here last Thursday, was back to normal Monday.

### Flier Urges More Planes

DeSeversky and Lee Propose Diversion Of Shipbuilding

(Continued from Page 1)

a second front in Europe is unfeasible as the United Nations haven't enough planes to prevent disastrous attacks on transports crossing the channel.

The major said he didn't see 'the ghost of a chance of a Japanese invasion of the west coast." "An attack from a carrier is unthinkable," he said, "unless we are completely asleep."

WASHINGTON, July 27-(AP) A fleet of giant cargo and troopcarrying planes was proposed in the senate Monday as the only answer to the submarine menace. Youthful Senator Lee (D-Okla) solemnly told his colleagues air-borne transportation offered the "only possible chance we have of winning this war." It is folly, he said, to continue trying to

sink them.' His resolution, calling for a special board to start immediate construction, was referred to the military affairs committee.

Lee said it had been estimated 10 per cent of Hitler's airplane production was devoted to giant flying boats, but that percentage was too small for United States needs.

"Our communication lines are many times longer than Hitler's and therefore the percentage of production devoted to transportation must be greater than that required for Hitler's needs." Under Lee's resolution, the per-

centage of shipbuilding capacity that would be diverted to building flying boats would be left to the supply board composed of the secretaries of war and navy, the administrator of war shipping administration and the chairman of the war production board.

**Paid Training** PORTLAND, Ore., July 27-(AP)

Learn to Weld-and get 95 cents an hour while you're training. That's the opportunity offered to 14,000 persons in Oregon and Washington by the Kaiser shipyards in the Portland-Vancouver, Wash., area to meet a "very ser-

ious shortage of workers." Plans to pay learning welders at the same rate as men now on the job have been approved, the company said, and the program will start Monday.

Trainees will be taken from state and federal vocational training schools in the two states and assigned to classes in the company's yards. After 60 hours they will go on production work.



"In This Our Life" Plus Super Man Time 7:00 - 10:11

CAPITOL Last Day - Two Hits CARY COOPER THE REAL GLORY Time: 2:52-6:39-10:40 COMPANION FEATURE CAROLE LOMBARD JACK BENNY "To Be or Not to Be" Time: 1:14 - 5:01 - 9:08 Plus Dead End Kids in "G-MEN OF THE AIR"

tarts Wednesday - Two Hit COMPANION FEATURE

They need no excuse for a fight—but look out when hiey have a reason! Dead End Kids

"Smart Alecks"

(Continued from Page 1) Olivia deHavilland the war began and allied losses Gee. Brent - Dennis Morgan "have greatly exceeded new construction" despite its tremendous On the other side of the ledger the government has extended its convoy system, opened anti-sub-PLUS - "YOKEL BOY" 8:51 marine schools, added escort vessels and increased air patrols in an all-out effort to smash the under-