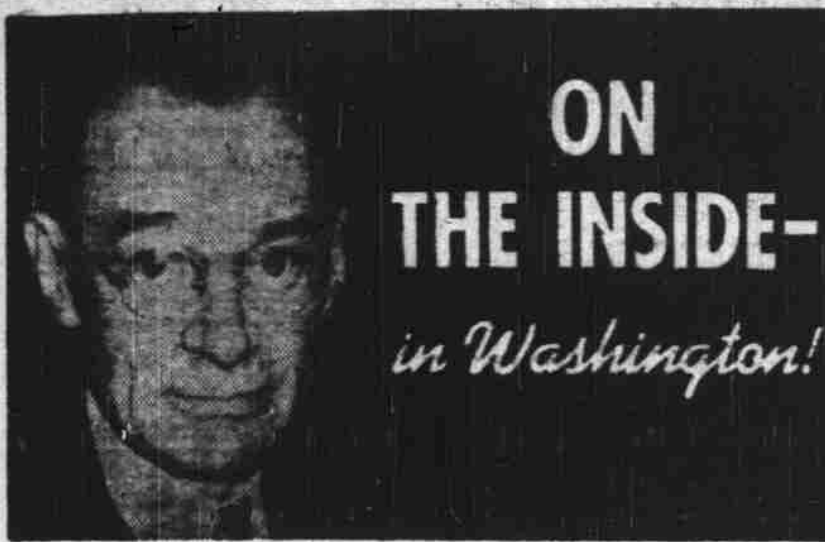




ON THE INSIDE- in Washington!

By KIRKE L. SIMPSON
Wide World War Analyst for The Statesman

Hitler's first objective in his drive to destroy or immobilize mighty Russia before Anglo-American striking power can intervene is appallingly close to attainment within less than six weeks of the onset of the campaign.

The rich Caucasian region has been all but cut off from the rest of Russia. The knife edge of German attack is within less than 50 miles of the Volga in the east and has cut deeply below the Don in the center and the west. Thus the nazis bid fair to obtain a stranglehold on the neck of the Caucasian isthmus from the Black sea to the Caspian.

Isolated in that manner from the rest of Russia, the Caucasus would be left to leisurely nazi dissection to obtain the oil it holds. Moreover, if Hitler reaches the Caspian down the west bank of the Volga, he will have established virtually the complete southern half of a strong defensive short line across Russia from the Baltic to the Caspian. German seizure of Leningrad and Moscow would complete a 1500 mile holding front for his armies, as compared to the 2000 mile front along which they are now deployed, and permit him to turn westward again.

Seemingly inevitable rupture of the Russian front from the Black sea to the Volga if not the Caspian sea does not mean imminent German occupation of the whole Caucasian isthmus, however. Russian chances for prolonged defense of the main Baku oil fields, still more than 600 miles south of the nearest nazi spearhead beyond the Don, are good.

The Caucasus mountain range offers a tremendous and easily defended barrier to a nazi march southward. While the flat lands of the central area of the isthmus south of the Don, where the main attack centers, are well adapted for nazi mechanized operation, to reach Baku the mountains must be crossed. They are all but roadless, have no low passages and are commanded by the highest peaks in Europe.

There is another Russian asset to be considered. Even if separated from the rest of Russia by a German breakthrough to the Volga, the defenders of the vital Caspian oil fields can still count on the allied supply line via the Persian gulf, Iran and the Caspian. They could not get weapons and munitions from Russian industrial centers but British and American supplies might enable them to continue a foot-by-foot fight.

Small Vessel 402nd Sunk

By The Associated Press

A small United States merchant ship which went down 60 seconds after two torpedoes crashed into her sides off the Atlantic coast brought the unofficial Associated Press total of announced ship sinkings in the western Atlantic since Pearl Harbor to 402.

The announcement by the navy Wednesday, the first in almost 48 hours, said the vessel was sunk July 24 about 150 miles off shore. Survivors were rescued after a navy patrol plane directed a fishing boat to them.

HOLLYWOOD 18c

Today Thru Saturday

A Great Comedy Show
Laugh Your Cares Away

THEY'RE AT IT
AGAIN, and It's Every
Man for Himself!

The "You-see-me" comedy of "The Great Dictator" and "The Great Dictator" and "The Great Dictator"

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THE MARINES

McLaglen Lowe

Plus 2nd Feature

Also - News and Final Chapter
"SEA RAIDERS"

Plus 2nd Feature

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Exciting!

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Exciting!

Goebbels Says 'Frontiers' Mad

Battle-Trained Nazis
With New Equipment
Parade in Paris

(Continued From Page 1)

that developed through the winter to the effect that Germany would be forced to withdraw her troops from the west, at the expense of their garrisons in the occupied countries, to bulwark their Russian campaigns.

French dispatches called the parades in Paris "important contingents" seasoned in the Russian fighting.

The seriousness with which the Germans view the prospect of a second front soon was indicated in a Berlin announcement that locomotives with full steam up were held constantly in readiness along the western coast to move troop trains into action as needed.

Axis military spokesmen declared further that German troops had moved into newly constructed fortifications along the channel in northern France, fortifications which have been under construction for two years.

The occupation of new fortifications in Holland was announced Tuesday.

Berlin sources declared the fortifications had been built one behind another in great depth, "increasing the German fighting power in case of invasion."

While these strong references doubtless were intended for their propaganda effect, it was apparent the axis was deeply impressed by the prospect of attack.

A neutral correspondent wrote that one was impressed in Berlin by the feeling that the possibility of invasion "must be taken with absolute seriousness," adding that persons close to the German government noted it was "worthwhile to inform the German public" of it.

The German press is telling the people of "invasion to take place in the near future." In the words of the Hamburger Fremdenblatt, it would be because the Anglo-Saxons are compelled to do so in an effort to save Russia.

The paper added that the allies recognize the necessity of helping Russia and are coming to the realization that the "time is at hand" when the "victor and the loser" in this war can be decided.

Of the Paris parades, DNB dispatches from Berlin said pointedly: "They are equipped with new vehicles and new weapons."

Field Marshal Karl Gerd Von Rundstedt, in active command of the German forces facing the British across the narrow channel and the North sea, has been directing revision of defensive measures all along the coast and inspecting "the extensive and deeply echeloned fortification works..." DNB reported Tuesday.

Inductees Are Feted

A farewell with food, gifts, addresses and prayer was extended Wednesday by Capital post No. 9, American Legion, in the name of the city of Salem to selectees as they departed for an army replacement center.

Dessert and coffee, a program on which Alderman L. F. LeGarie represented Mayor W. W. Chadwick and Commander Ira Pilcher spoke for the Legion post, with representatives of the ministerial association, the USO and close friends and relatives of the newly-inducted men in attendance were followed by presentation of cigarettes, candy, testaments and the booklet prepared by the Legion for men of World War II.

2800 Stampless Autos Tagged

PORTLAND, July 29.—(AP)—More than 2800 Oregon automobiles have been tagged for failure to display federal motor vehicle use tax stamps. Collector of Internal Revenue J. W. Maloney said Wednesday.

The tags, warning motorists to obtain stamps immediately, have been put on more than 2000 Portland automobiles.

Postoffice Deficit Smallest 18 Years

WASHINGTON, July 29.—(AP)—Postmaster General Walker reported Tuesday night the post-office department had a deficit of \$14,657,529 for the fiscal year ended June 30, the smallest since 1924, but added the deficit for the current year would be "several times greater" because of increasing workload volume and declining revenues.

Arrested for Salem

Gene Alford, 20, was apprehended in Portland and returned to Salem Wednesday night, charged with larceny. He was arrested on a Salem justice court warrant.

Chimney Flares

A chimney fire at 2035 North 19th street was the cause of an alarm to the city fire department about 7:30 p. m. Wednesday. No damage was reported.

Eastman Seeks Reinforcement Of 40-Mile Speed Request

Gov. Charles A. Sprague was asked by Joseph B. Eastman, director of the federal office of defense transportation, Wednesday to reinforce by executive decree or legislative action a proclamation issued several weeks ago asking motorists to limit their speed to 40 miles per hour.

The request came to the executive offices while the governor was out of the city. It was not thought likely that consideration would be given to calling a special legislative session, the only means by which it appeared "teeth" could be put in the proclamation.

Virtually all motor vehicles, with the exception of private passenger cars that are not eligible for new tires or recaps under rationing regulations, are to be put under a strict 40-mile-an-hour speed limit rule on August 1 by the OPA and ODT. Eastman's agency. The office of war information explains the August 1 limitation as follows:

"The OPA war price and ration boards will enforce the 40-mile limit on all cars, private or commercial, which are eligible for new tires or recaps by refusing to grant tires or recaps to any car which has been driven in excess of 40 miles an hour. The boards are empowered to demand affidavits from all applicants attesting that the car has not been driven over 40 miles an hour and false swearing in these affidavits is punishable by fine and imprisonment under federal law."

"Amended ODT orders which will take effect August 1 or are already in effect impose a 40-mile limit on all common carriers, contract carriers, private carriers and busses, which about takes in all commercial vehicles."

FDR Orders Said Illegal

Counsel for Saboteurs
Calls for Rights of
All to Civil Trial

(Continued From Page 1)

consented to adopt the role of saboteurs and be put ashore here by German U-boats.

Biddle, revealing for the first time a portion of the testimony given before the military commission, said that the contentions of the government were "completely sustained" by long and detailed confessions signed by each of the eight men.

Their own testimony, he said, showed that they attended a school in Germany in which they were made "competent in sabotage" and were shown plans of American industrial plants, railroads and canals which were to be blown up. They were trained "specifically" in the methods for using the explosives which they brought with them. Moreover, he said there was testimony that each of the men had been assigned to a specific unit of the German army before leaving and that each had signed a contract with the German government under which his family "would be paid certain amounts of money while he engaged in sabotage."

Henry Ford Is 79 Today, Hopes for World Federation

DETROIT, July 29.—(AP)—Henry Ford will observe his 79th birthday anniversary Thursday at peace with himself but distressed at the sight of a world devoting most of its energies to destructive effort.

Ford, apostle of unrestricted production for human needs and advocate of a good neighbor policy for all the world's peoples, comes to the beginning of his 80th year unshaken in the conviction that beyond the war lies an era of prosperity unparalleled in the world's history.

Asked how it felt to be 79 years old, Ford indicated he had forgotten about his birthday anniversary.

"Golly," he said, "that's right; I do have another birthday coming," and added that he "never felt better." His appearance confirmed this. Except for a slight stoop of his shoulders, he still is as straight as a reed and holds close to his accustomed weight of about 138 pounds.

But convinced as he is that "war never settles anything," Ford added that if the present conflict results in a federation of the world's peoples, with an eradication of political and tariff barriers, a future secure and peaceful for all races and creeds is assured.

LIBERTY

Last Times Today

"Melody Lane"
with Merry Macs and
Baby Sandy

Bill Elliott
in "Roaring Frontiers"

NEWS AND COMEDY

Bombers Strike Jap Destroyer

US Fighters Destroy
Three Bombers at
Chinese City

(Continued From Page 1)

ship was smoking and heading for shore.

In the Kokoda area of New Guinea, where Japanese troops have pushed to about 60 miles from Port Moresby, allied and Japanese patrols were reported to have engaged in skirmishes.

The text of the communique: "Northwestern sector: Darwin: Two small formations of enemy planes raided the town in the early morning hours. There were no casualties and only minor damage."

"Northeastern sector: Port Moresby: The enemy made three, light ineffective raids in flights of three heavy bombers under cover of darkness. Our anti-aircraft and searchlight batteries engaged the raiders. There was no damage and no casualties."

CHUNGKING, Thursday, July 30.—(AP)—United States army fighter planes shot down three Japanese bombers over Hengyang Thursday morning without loss. Lieut. Gen. Joseph W. Stilwell, headquarters announced Thursday.

The text of the headquarters communique follows:

"Early this morning nine Japanese bombers attacked the airfield at Hengyang."

"American fighters intercepted the Japanese formation and shot down three bombers."

"Slight damage was caused by the bombing."

"There was no loss to the American planes. Maj. John E. Allison shot down two of the bombers and Capt. Albert J. Baumber shot down the third."

Britons Trek For a Month Through Axis

(Continued From Page 1)

had also escaped, and they kept going toward Alexandria.

They held up two Germans in a truck, took the vehicle and started to drive in the German convoy. Once, when they thought they were between the lines, they found they were driving into the Qattara depression south of El Alamein and had to return to the main road in the midst of Italian concentrations.

They continued east on foot, after they were forced to abandon the truck, and just before dawn Tuesday they sighted another truck. Intending to seize it from the enemy, they crept close.

Just then they heard a voice in English from inside saying: "It's five o'clock—time to wake, matey."

The driver brought them to within a short distance of this outpost.

Navy Day Slated For 'Buy Bonds'

WASHINGTON, July 29.—(AP)—The navy department said Wednesday that a suggestion has been advanced that Navy day, October 27, this year, be commemorated as a "buy war bonds" day, "with no solicitations for funds, publications or other projects operated by civilians."

The department pointed out that Navy day primarily is sponsored by the navy league, which it applauded as a patriotic society.

"In recent years, however," a statement read, "various voluntary enterprises in support of Navy day have been started, most of which involve publications or

Rumors of Doctors' Induction To Service Said 'Stretched'

Rumors that several Salem physicians and dentists have recently been told they "must" enter military service have some foundation but may have stretched the truth to some extent, according to Lt. Comdr. Verden E. Hockett, medical officer under Col. Elmer V. Wooton, Oregon selective service director.

Doctors, dentists and veterinarians, all of whom have been registered with the procurement and assignment service, are subject to call, according to their draft order numbers, when orders for men from these professions are received, Comdr. Hockett explained. He expressed a belief that few such professional men registered with the local Salem draft board had been ordered to apply for medical, dental or veterinary corps commissions.

Possibility that Salem doctors living outside the city limits, as in the Polk county or Stayton draft districts, may be receiving induction calls, was seen, however, by Comdr. Hockett.

Oregon is expected by the end of the current year to supply 134 doctors to the armed forces.

"A number have been applying voluntarily, feeling that their services are needed," Hockett said. "We don't expect to have to induct any against their will."

Men in these professional brackets, unlike those in other professions, are placed in class I-A, in effect, regardless of dependents, because if they enter the service they do so as commissioned officers of first lieutenant or higher grade.

Pertinent paragraphs from national selective service directives received by Col. Wooton hold that "it is manifest that every qualified doctor, dentist and veterinarian must serve where he can render the greatest professional service to the nation," and that "in practically all instances the pay and allowance of such registrant, if he were commissioned as an officer, would be sufficient to eliminate the question of dependency."

Procedure for induction of doctors and dentists whose order numbers are called by draft boards is to report their names to the procurement and assignment service for a decision as to whether or not, considering community need, they are available, according to Col. Wooton.

Quelle Begins Remodeling After Fire

Redecorating and remodeling of the Quelle cafe, closed this week as the result of a fire in the Eby studio overhead, begins this morning, Frank Chatas, owner and operator, has announced. Walls and ceilings, all stained by fire and water, are to be completely repainted or papered, he said, and the cafe is to remain closed for 30 days.

Utilizing the time required for the decoration job, Chatas said he was having the kitchen enlarged to take in most of the green room. When the restaurant was arranged, a back room decorated in colonial style was planned as the banquet room but has come into general use for regular luncheon and dinner trade, thus requiring more kitchen space than had been provided, he said. Additional rest rooms on the street floor of the restaurant are also to be installed.

Water seepage from fire hoses went clear to the basement of the restaurant, so the downstairs rooms have been included in the redecoration job.

Actual loss to the Quelle had not been determined Wednesday, Chatas said.

other projects depending upon public subscription."

Housing Area Granted Here

Blanks Arrive for
Building Permits
And Materials

(Continued From Page 1)

in either price will be attached to the structure during the period of the declared national emergency.

Information on the application blanks received by Chadwick indicates that rehabilitation jobs where cost of materials on the critical lists will exceed \$800 should be considered as construction rather than remodeling.

Construction applications include a pledge not to sell or rent for a period of 60 days after completion to any person not engaged in war activity in the area.

Sale price shall not exceed \$6000 and rent shall be no more than \$50 a month for structures either remodeled or constructed.

Applications for either remodeling or construction may be secured from the chamber of commerce or from the mayor by persons actually intending to undertake such projects, but there is no surplus of blanks available for general distribution, Chadwick said Wednesday.

Damage May Stop Music

Lawn Hurt, Flowers
Destroyed During
Band Concert

(Continued From Page 1)

the city guaranteed to the state that the terrace, still new as terraces go, would not be damaged.

That parents do not realize what their children may do in the way of damage to the park when they are not accompanied or watched by adults with authority to make them mind is the belief of park board members, the spokesman for the group said.

Equally disconcerting is the use made of the park at night by persons who deposit beer bottles in flower beds, strew the lawns with papers and garbage, it was declared.

Killed in Mill Fall

BEND, July 29.—(AP)—Death of Archibald H. McCord, 71, who fell into a circular saw at the Central Oregon Lumber company mill near Mitchell Monday, was reported here Wednesday.

CONTINUOUS FROM 1:30
CAPITOL
TODAY-FRI-SAT.- 2 HITS
"DEAD END KIDS"
"SMART ALEX"
COMFANION FEATURE
SONS OF THE PIONEERS
ROY ROGERS
Bargain Matinee 20c Plus Tax

STARTS FRIDAY

Doors Open 5:30 P. M.
Feature 7:00 and 9:30

WALKER'S **ELSMORE** SALEM'S LEADING THEATRE

ONE OF THE 10 BEST OF ALL TIME!
More Thrills Than The Screen Has Ever Known!

GREER **GARSON** WALTER **PIDGEON**
Directed by WILLIAM WYLER • Produced by SIDNEY FRANKLIN
MRS. MINIVER

IT'S THE BIG PARADE OF THIS WAR!

Ends Tonite Belle Davis, Olivia DeHavilland
"In This Our Life" Plus "Yokel Boy"

22c Plus Tax
Powder Town: 1:30, 4:15, 7:30, 9:30-Spitfire, 1, 5:30, 8:45
TH 5

New **STATE** TODAY
Belle Davis, Ann Sheridan
Monty Woolley
"The Man Who Came to Dinner"
AND
Humphrey Bogart
"All Through the Night"
18c Plus Tax
Box Office Open Anytime 6:45

JAIL HOUSE BLUES
Plus 2nd Feature
Exciting!
SUPERMAN STARTLING!