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Our events occur  
while you sleep but also  
while The Statesman news  
services are reporting them.  
Keep posted; read The  
Statesman.

**Service Men**  
Our boys of Salem and  
vicinity are in uniform with  
Uncle Sam over the face of  
the globe. Follow them daily  
in The Statesman's "Service  
Men" column.

NINETY-SECOND YEAR

Salem, Oregon, Tuesday Morning, August 25, 1942

Price 5c.

No. 111

## Brazil Closes Axis Banks, Takes Vessels

### Chinese Retake Fuchow

**Second Biggest Jap Base Falls In Kiangsi**  
By SPENCER MOOSA  
CHUNGKING, Aug. 24.—(AP)—Recapture of Linchwan (Fuchow), second biggest Japanese base in Kiangsi province, was announced Monday night by the Chinese high command, while other Chinese forces smashed to within 30 miles of Nanchang, the invaders' main Kiangsi stronghold.

The Chinese central news agency later reported the Japanese forces retreating from Linchwan had been cut off by mobile Chinese units which gained control of communications in their rear. Eastward to the Chekiang province border the Chinese held a regained 115-mile segment of the important Nanchang-Hangchow rail line, and on into Chekiang they pressed in new drives that menaced Japanese-held Chushien and Lishui sites of air bases from which Tokyo could be bombed.

Thus in a resurgence of offensive operations, Generalissimo Chiang Kai-Shek's forces either invalidated or threatened the chief fruits of the Japanese summer campaign in the two key provinces.

There was no tendency among Chinese observers, however, to attribute the new gains solely to the prowess of Chinese arms.

Private reports received here indicated the Japanese were withdrawing considerable forces from parts of the Chinese front, leaving only garrison detachments in some places.

These reports said most of the forces withdrawn from Chekiang and Kiangsi were being moved south (whence operations against South China, Australia or India might be based), and the rest north to Manchukuo (where Japanese forces face Siberia).

The Chinese had laid siege for two weeks to Linchwan, on the Fu river 60 miles southeast of Nanchang. In the early stages of the onslaught Chinese ground forces were supported by US army air force bombers which smashed at the Japanese defenses.

The Japanese had held the city since early in June when it fell to their drive along the Fu river toward Fukien province to the south.

### German Bomber Hits Icelandic Fishing Boat

REYKJAVIK, Iceland, Aug. 24.—(AP)—A German bomber twice attacked an Icelandic fishing trawler off the northwestern coast today, killing one member of the crew. The bomber circled low over the trawler, machine-gunned it and later dropped a bomb which landed nearby. The vessel was only slightly damaged.

Another German bomber was over northwestern Iceland Monday and one over southeastern Iceland Sunday. Neither attacked.

### Lower Dependent Tax Credit Proposed by Senate Group

WASHINGTON, Aug. 24.—(AP)—The senate finance committee voted today to dip into the pockets of heads of families for a \$220,000,000 addition to the new revenue bill by lowering from \$400 to \$300 the individual income tax credit for dependents.

In a 12 to 6 vote that Chairman George said was only tentative, the committee approved a treasury proposal previously rejected by the house to allow only \$300 deduction from taxable income for the support of children under 18 years old or for other persons incapable of caring for themselves. The law now allows \$400, a figure retained by the house.

At the same time, the committee sustained house action in cutting personal exemptions of married couples from the present \$1500 level to \$1200 and in reducing the existing \$750

### 1944 Doesn't Count In NY Albany Race, Nominee Dewey Says

SARATOGA SPRINGS, NY, Aug. 24.—(AP)—Thomas E. Dewey accepted the republican nomination for governor of New York Monday night with a renunciation, if elected, of any presidential aspirations in 1944.

The former Manhattan district attorney, who lost the party's presidential nomination to Wendell L. Willkie in 1940, made his declaration immediately after a cheering state convention nominated him by acclamation for a three-cornered gubernatorial race.

Dewey has been considered by political observers an almost certain candidate for the presidential nomination, whose chances would be enhanced by election to the New York governorship. Presidential candidates will be named in 1944, midway in the next gubernatorial term.

Referring to the democratic convention in Brooklyn last week as "a personal political fight for control of the 1944 democratic convention," Dewey said:

"By contrast, neither you nor I here are concerned with 1944. This convention and the republican campaign are concerned only with the winning of the war and with good government for the people of the state of New York for the next four years. For my part, let me say right now that I shall devote the next four years exclusively to the service of the people of New York state."

Endorsing almost word for word a platform adopted pledging

### For Governor



THOMAS E. DEWEY

continued support to the war effort but criticizing its prosecution on the home front, the nominee asserted the war "is not a political issue," and added:

"The republican party will (Turn to Page 2, Col. 6)

### White Collar Plan Okehed By Union Men

PORTLAND, Aug. 24.—(AP)—Ranking Oregon labor leaders today endorsed the Hayes plan to create a pool of white-collar workers for spare-time service in labor-short war industries.

D. E. Nickerson, executive secretary of the Oregon State Federation of Labor (AFL), and Ralph Peoples, executive secretary of the Oregon State Industrial Union council (CIO), approved the proposal as a wartime production expediency.

Both warned, however, that care should be taken to determine the ability of office workers to withstand the strain of regular and part-time jobs.

Nickerson insisted that "workers must enter the agreement with the understanding that they will clear through the unions involved."

State officials of the US employment service also have approved the plan, advanced about two months ago by James Hayes, Union Pacific railroad public relations official here.

Charles H. Ebery, Oregon and northern Idaho regional wage-hour division official, said the plan would be considered within the bounds of the fair labor standards act in "these abnormal times."

### 15 Policemen Here to Give Cannermen Lift

Fifteen members of Salem's police force today said five hours to their working days, planning, they said Monday, to put in a short shift at some of the city's canneries.

Authority to take on the cannery jobs for the height of the season was granted Monday by Chief of Police Frank Mintz, who declared it a "good idea" but asked that each man plan such a schedule discuss it first with him.

"We're glad to be able to help save some of the food this area produces and most of us are husky enough to work an extra five hours daily for the next month, particularly at jobs so different from our routine police work," said Sgt. Jack Cutler, veteran employe of the department.

### Rommel Eyed For New Move

LONDON, Aug. 24.—(AP)—Increased air activity over the Egyptian desert and continued axis efforts to get convoys across the Mediterranean led Monday night to renewed speculation over the possibility of another offensive by German Marshal Erwin Rommel.

The Italians have repeatedly intimated the present lull in the desert fighting would end soon. Monday the Rome radio said "a hurricane of death may be unleashed any moment."

British military critics expressed belief Rommel, bivouacked 80 miles west of Alexandria along the desert coast, had managed to get substantial reinforcements.

### Missing Oregon Marine Majors Made Colonels

WASHINGTON, Aug. 24.—(AP)—Several marine corps majors missing in action were included today in a list of 212 promoted to lieutenant colonel.

The missing men possibly are prisoners of war, and the promotions cannot become effective immediately.

Among the 212 are Joseph H. Berry, Portland, and William F. Parks, Milwaukie.

### Hop, Bean Men Cry For Help

#### 3600 Pickers Needed Today, Valley Area

Thirty six hundred pickers, 2400 for hops and 1200 for beans, are wanted by growers in the Marion-Polk county area this morning. Orders for these numbers were on file with the US employment office when it closed Monday night. An appeal for workers from Portland was sent to the Portland branch of the employment office late Monday afternoon.

Seventeen hundred of the hop pickers are wanted in the Independence area this morning and between 200 and 250 are wanted in the north Salem area, W. H.

PORTLAND, Aug. 24.—(AP)—All-out aid in nearby bean fields was urged upon Portland's 10,000 club women Monday.

They were asked to follow the example of the League of Women voters to help growers save the fast-maturing string bean crop, by Evangeline E. Philbin, president of the city's Federation of Women's clubs.

Baillie, employment service manager, said. Others are needed in other yards.

Four hundred bean pickers were ordered for the Stayton cannery, 300 were needed in the West Stayton yards by the Blue Lake Producers cooperative, 250 L. Paulus Bros., 150 by Rav-Maling, Woodburn, and 100 by the California Packing company.

It had been estimated that there were 7500 bean pickers at work in the Marion-Polk area last week and by actual count it was determined Monday afternoon there were 2630 hop pickers in the Independence yards. It is believed Independence has perhaps half of the total number actually at work in the Marion-Polk area, which would make the total hop pickers 5660.

Persons in close touch with the employment situation feel sure there were not many more than 3000 bean pickers at work Monday. Many change around from crop to crop and from yard to yard and it is necessary to make replacements as well as the 500 extra ordered for Monday morning.

"The peak of the season, in so far as numbers of workers needed, has arrived," Baillie said Monday night. "Portland reports having had some inquiry about hop and bean picking in this area, and it is hoped many of these workers will be directed this way."

"We need between 3500 and 4000 pickers Tuesday morning to supply bean and hop growers. If we do not get these for work Tuesday, a general appeal will have to be made to workers in other fields, as was done last year."

### Dried Fruit Price Eased

WASHINGTON, Aug. 24.—(AP)—Price Administrator Henderson removed Monday from the general maximum price regulation five dried fruits when sold to the armed forces or the federal surplus commodities corporation. The action was taken to enable the armed forces and the FSCO to buy the fruits without delay in packing and production.

The exemption applies to dried apples, dried apricots, raisins, dried peaches and dried pears. A forthcoming regulation will provide a different price basis for sales to the private trade and to the armed forces at a price approximately 15 per cent higher than the old maximum.

### Service Men

Word of the promotion of their son-in-law, Gordon Skinner, to grade of captain was received by Col. and Mrs. Carl Abrams on Monday night in a telegram from their daughter, Mrs. Skinner. Capt. Skinner is on the staff of the commanding general of the Florida sub-sector and with Mrs. Skinner, the former Betty Abrams, is residing in Miami.

(Additional service news on page three.)

### 13 Italian, 4 German Ships Held; Neighbor Nations Give Backing; Recurring Quakes Rock Peru

#### Eleven Known Killed, Many Others Hurt

"Another Quake Is Beginning"—and Phone Cut Off

LIMA, Peru, Aug. 24.—(AP)—At least 11 persons were killed and scores were injured late Monday when an earthquake rocked southern Peru. The tremors were reported continuing Monday night.

Ten persons were killed in the town of Nazca and 50 were injured. A third of the village was leveled, and rescuers toiled into the night. Power facilities were disrupted in the town, 325 miles south of here.

A telephone communication with police in Nazca suddenly was interrupted with an announcement "another quake is beginning."

A 10-year-old girl was killed in Ica, where property suffered heavily.

A strong tremor, lasting about two minutes, was felt at Lima at 5:53 p.m. (3:53 p.m. PWT), but there was no damage or casualties here.

PASADENA, Calif., Aug. 24.—(AP)—The semimicrological laboratory of the California Institute of Technology recorded a "very strong" earth shock at 4:58 p.m. today. The indicated distance was between 5,000 and 6000 miles, but the direction was not determined.

### SEC Orders AP&L Firm Dissolved

PHILADELPHIA, Aug. 24.—(AP)—In another step toward breaking up the nation's largest single public utility holding company system, the securities and exchange commission Monday ordered dissolution of American Power and Light Co. and Electric Power and Light Co., major units of the Electric Bond and Share Corp. system.

American has electric, gas, heating, water, petroleum, ice, real-estate, transportation and financing companies in Washington, Oregon, Montana and ten other states.

In a 100-page decision strongly displaying its determination to enforce the "death sentence" of the holding company act during the war, the SEC declared American and Electric were "scarcely more than a set of books in bond and share's office and emphasized the two subdividing companies never have performed any useful purpose."

The order directed Bond and Share and the two subsidiaries to "proceed with due diligence" to submit plans for dissolution. The SEC rejected the companies' contention that plans of reorganization already filed were a bar to entry of the dissolution order and asserted "nothing contained in the plans . . . is calculated to impart a useful function to these companies."

### Season Extended For Big Salmon Catch, Astoria

ASTORIA, Aug. 24.—(AP)—With salmon running by the millions, Oregon commercial fishermen were allowed an additional 12 hours to take one of the largest catches in history.

In response to an appeal that the season which ends at noon Tuesday be lengthened from two to five days, the state fish commission permitted a 12-hour extension—until midnight Tuesday.

Hauls of from 4000 to 5000 pounds in a night have not been uncommon. One gillnetter reported that his week's work netted him \$2000.

### Le Trait Shipways Struck By US Flying Fortresses; Vichy Protests Ignored

#### 1st Kill His

LONDON, Aug. 24.—(AP)—The US high command in England, ignoring the protest of the Vichy government against last Monday's raid on Rouen in occupied France, sent Flying Fortresses back to the vicinity to attack Nazi shipyards at Le Trait Monday in the fourth daylight bombing of French territory in eight days.

The big bombers, escorted by fighters of the RAF, the US air force and the Polish air force, all reached their target on the Seine river near Rouen, and all returned to their bases as in the previous raids.

American sources said 12 of the big Fortresses took part in the raid.

They again proved their ability to cope with the German Focke-Wulf 190 fighter, reputed to be one of the best in the air. One of the Fortresses encountered one of these planes on the return trip, and a small number of her crew were wounded, but she got back to her base.

Allied fighters, escorting the Fortresses, shot down two FW 190s in terrific dogfights over the target area.

Two allied fighters also were lost, but the Spitfire screen was so effective the Germans were unable to penetrate it during the bombardment. At one time 40 German fighters tried unsuccessfully to intercept the bombers.

Both the FW 190s were shot down by Canadian pilots.

A communique issued by the US army command in Great Britain and the British air ministry

### Seaman Flees Hongkong in Small Boat

SEATTLE, Aug. 24.—(AP)—A 25-year-old Seattle seaman came home from the war fronts today with a story of a harrowing escape from captured Hongkong in a rowboat, while flood lights illuminated the water.

Five of the six escaping companions of the youth, 25-year-old Robert D. Casey Jr., were picked off by Japanese guns before the odds' end, but Casey's only injury was to his back. A box of ammunition fell.

### Column Right! Santa Ana, Calif., Aug. 24

SANTA ANA, Calif., Aug. 24.—(AP)—Column right! That could easily have been the order of Capt. J. T. Ansberry, sr., when he and Mrs. Ansberry arrived recently. They were accompanied by their 11 children, one of the largest army families in the nation. The children range from three to 20 years. Ansberry is a former Cleveland Plains Dealer advertising man, now on duty here.

### German Tanks Admitted Only 40 Miles Away From Stalingrad; Oil Center Endangered

By HENRY CASSIDY

MOSCOW, Tuesday, Aug. 25.—(AP)—German tanks and mechanized infantry were acknowledged officially today to be only 40 miles northwest of Stalingrad after crossing the Don river bend, and in a 50-mile Caucasian advance the Nazis reached a point only 85 miles from the rich soviet oil city of Grozny.

Particularly stiff fighting raged against enemy tank and mechanized infantry which had crossed to the left bank of the Don" northwest of Stalingrad, a communique said early today.

The Russians also were fighting desperately against "large tank and infantry forces which had driven a wedge into our positions" northeast of Kotelnikovski, or on the southwestern approaches to the Volga industrial city of Stalingrad.

### Texas Tanker Heading for Rio Is Sunk

#### Uruguay, Argentina, Peru Declare Brazil Non-Belligerent

By HENRY W. BAGLEY

RIO DE JANEIRO, Aug. 24.—(AP)—Three of the largest axis-owned banks in Brazil, with assets of nearly \$35,000,000, were closed Monday night by a war-time presidential decree which also ordered outright confiscation of 17 axis vessels.

Seizure of the vessels was ordered about the time the government announced the sinking of the American tanker Louisiana, of 5480 tons, understood to have been operated by the Texas company. It was carrying a cargo of oil to Rio de Janeiro.

(Lloyd's registry of shipping lists a 8587-ton tanker owned by the Texas company.)

As the country welcomed indications of South American solidarity from Argentina, Peru and Uruguay, she turned also to the grim job of building defenses in the strategic Natal bulge and hunting down submarines along the coast.

An authoritative source said three were sighted today off central Brazil and one was attacked, presumably by a patrol plane. But there was no word of the results.

Informed sources said the government shortly would order a gradual mobilization of the army and confiscate additional German and Italian property.

The German, Trans-Atlantic bank, the German Bank of South America and the French Italian bank of South America were closed and liquidators were named. A presidential decree said the wealth.

(Turn to Page 2, Col. 1)

### Senators Escape Hurt in Alaska Bomber's Crash

SEATTLE, Aug. 24.—(AP)—Senators who just returned from an Alaskan inspection trip reported today that Charles Clark, assistant counsel to the senate's Truman committee, had a narrow escape in an army bomber's crash in the north.

"The bomber overran the runway in landing just a week ago," said Sen. Mon C. Wallgren (D-Wash.), before he started for San Francisco with Sen. Harold H. Burton (H-Ohio) and Clark. "Clark was thrown around so violently that his trousers and shoes were torn off, but he escaped with nothing worse than the shaking up and a few minor cuts and bruises. Some of the army personnel were not so lucky."

He did not elaborate on the latter remark.

### Jap Planes Bagged Over New Guinea

GEN. MACARTHUR'S HEADQUARTERS, Australia, Tuesday, Aug. 25.—(AP)—Four of a group of 13 Japanese fighter planes encountered over eastern New Guinea were shot down by allied airmen and others were damaged, a communique announced today.

One allied plane was damaged, but returned to its base. Another Japanese fighter plane was set on fire and "probably destroyed" when two Japanese craft sought to intercept an allied reconnaissance over Rabaul, New Britain, the communique said.

Japanese ground patrols were dispersed at Kokoda, inland point on the Papuan peninsula of New Guinea where the invaders after landing at Buna and Gona have been attempting to strike overland toward Port Moresby.

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Three Japanese planes raided Darwin Monday night unsuccessfully, the daily communique said. On the previous night 47 Japanese planes were beaten off by brilliant allied fighter tactics.

(Turn to Page 2, Col. 7)