NINETY-SECOND YEAR

Salem, Oregon, Friday Morning September 25, 1942

#### SECTION 1-PAGES 1 TO 10

# Soviets Gain Ground on Northwest Sector

### **Inflation Compromise** Gains Senate Support

#### Modification Of Ceilings Aim of Bill

Tydings, Reed Sign Proposal; Brown Sees Sure Veto

By RICHARD L. TURNER WASHINGTON, Sept. 24-(AP) A revived compromise proposal covering the hot issue of farm price ceilings attracted support among senators Thursday night, and administration leaders believed there was a possibility of perfecting an anti-inflation bill acceptable both to President Roosevelt and to a majority of

They were, however, by no means certain. Thirteen members of the agriculture committee had rejected the compromise earlier in the day. In addition, the parliamentary situation was such that the senate had first to vote upon the farm bloc's proposal. This calls for an increase in parity prices by the inclusion of farm labor costs. The president then ceilings below these parity fig-

Conceding this amendment would be adopted, the administration leaders claimed they then would be able to command enough votes to substitute the compromise for it, the end result being that the farm bloc amendment would be eliminated from the bill.

The compromise, bearing the names of Senators Tydings (D-Md) and Reed (R-Kas), would recognize labor costs as a factor in fixing ceiling prices. It contains a direction to the president to modify any established price ceilings if they "appear" to fall to reflect the increased cost of farm labor.

Parity is a farm price level calculated to give farm products the same purchasing power they had during previous selected periods of farm prosperity. Administra-tion economists estimate that figuring farm labor costs, a new factor, into parity would mean a 5 per cent rise in living costs. President Roosevelt has express-ed his "unalterable" opposition (Turn to Page 2, Col. 1)

#### **Allied Troops** Contact Japs In Guinea

GENERAL MacARTHUR'S HEAD QUARTERS, Australia, Friday, Sept. 25-(A)-Allied patrols have made contact with the enemy in the Owen Stanley mountains of New Guinea, a communique reported Friday, but the "general situation" in that area is

upon Port Moresby was the first no indication whether it presaged a large scale resumption of the enemy push southward against the big allied base.

while the land fighting was reactivated, General MacArthur's
air forces continued to press their
relentless attacks on Japanese
centers behind the front in New
Guinea and on outlying islands.
Bombers probably sank a medi-

planes bombed and strafed Buna and Kokoda on New Guinea, as well as Buka at the northern tip of the Solomon islands.

sese Timor. There, the war report said, another Japanese cargo ship was bombed by a reconnais-ance unit "with unknown re-

House Oheks Housing

#### Arguments On Parity In Nutshell

WASHINGTON, Sept. 24-(AP) The nub of the farm price controversy is the farm bloc's insistence that the costs of all farm labor be included in the parity formula for determining the "fair price" of agriculture products.

Here is the gist of the arguments pro and con:

The farm bloc: Because of low prices, the farmer cannot compete with industry for hired workers. Farm workers, in large numbers, are being lured to the city by high wages in munitions factories and other industries. This threatens a disastrous drop in agricultural production which will not only ruin many farmers but will deal a severe blow to the United Nations war effort.

Administration supporters: Parity as now calculated brings farmers into a fair relationship with other groups because it includes the labor cost incorporated in the price of things the farmer buys. To change the formula new would add \$3,000,-900,000 to \$3,500,000,000 to the cost of living and destroy all ous inflation which would greatly hamper the War effort.

#### Scrap Pickup Today in City

Residential Drive for Metals Next Week; Rural Plan Set

Salem's downtown salvage depots were filling steadily Thursday as G. W. Paulus, county salvage chairman, announced that the business district drive for warneeded scrap metals had been continued over into today and County Agent Robert E. Rieder disclosed plans for a county-wide collection program.

Paulus said the slow-to-start business district drive had picked up markedly Thursday morning. He urged all business house promake thorough cleanups of their premises in search of metallic materials for the war stock piles so

City trucks are to start picking up the scrap donations at the 66 downtown salvage depots this aft-

The capital's residential scrap metal drive will start next Monday, with pickups from curbsides to be made on specified days in each of four sones.

Rieder, offering use of his telephone number, 4811, to persons eporting in on availability of large amounts of scrap, said the rural drive would get under way

other nine in his group that scrap metals are needed and to urge them to haul their collections from their farms to salvage depots in nearby communities where possisought for collections where the farmers are unable to make deliv-

World war No. 1 shell of approxi-(Turn to Page 2, Col. 2)

#### **US-Argentine** Ties Weaken

#### City Employe Pay Problem To Be Solved

**Mayor Appoints 12** To Recommend Increase Plan

Assurance that the matter of equested pay increases for city employes "will reach an intelligent solution in the spirit of sound municipal government" was given Thursday by Mayor W. W. Chadwick in a statement issued in connection with his appointment of a committee of 12 to work out the prob-

Named on the committee, which Chadwick instructed to convene in a special meeting to propose ways and means to satisfactorily solve the problem of wage adjustments for the personnel of our city firemen and policemen" and to present a report and recommendation for consideration of the city council at that body's next meeting are:

Alderman L. F. LeGarie, hairman: Alder O'Hara and Ross Goodman; George Arbuckle, Carl Hogg and W. L. Phillips, representing business interests of the city; Chief Frank Minto and Officers Charles E. Dalton and Stanley E. Friese of the police depart-ment; Chief Harry Hutton and Robert Mills and Walter Eberhard of the fire department.

"This committee shall have my full cooperation and assistance as well as the advice and counsel of the city attorney in assisting them in working out this entire problem," Chadwick's statement de-

"Pending the results of this procedure and the action of the common council in session on their report, I ask all who will be affected in the service in the city of Salem to remain at their posts, and I assure them that this matter will reach an intelligent solution in the spirit of sound municipal govern-ment," the statement concludes.

That a committee report at the next regular council meeting would be too late to make use or ballot to secure an expression from the city's voters on whatever parent Thursday. Last day such a bill could be placed on the ballot will be October 3, by a provision of the city charter requiring council action on an ordinance related to such a proposal not less than 30

days prior to the vote. However, the city council which recessed last Monday night so that it might meet on short call should the anticipa-(Turn to Page 2, Col. 8)

#### Civilian Meat Every tenth farmer in the country is to be asked to remind the Drops 21 per Cent for Fall

WASHINGTON, Sept. 24 -(AP) The government told civilian consumers Thursday they would per cent less meat during the ected to reach record levels.

BUENOS AIRES, Sept. 24 -(A)
Socialist Deputy Nicolas Repetto
told the chamber of deputies
Thursday night that because of
her neutrality Argentina was "at
the point of breaking relations
with the United States."

The October-December limitation will be followed, Wickard
said, by consumer rationing allowing 2½ pounds a week per
person. The office of price admot under pretext of that neutrality serve the interests of totelliterianisms."

In office of price administration has been asked, he
said, to work out rationing plans.

The approximation of the retrality serve the interests of totelliterianisms."

Stalingrad—City of Steel Men



dous nasi effort which today enters its second month. The arrows show how the German armies are trying to pierce through and isolate sections of the city; the planes represent nasi craft which pound the city and its lines of supply (line of tanks) incessantly. The Volga river courses through the east side, below the bluffs on which Stalingrad is built.—Associated Press Telemat.

#### **WPB** Offers Scrap Prizes

States and Counties To Get Awards: **Army Contributes** 

WASHINGTON, Sept. 24-(AP) The war production board Thurspaper-directed scrap drive by offering awards of plaques and pennants to states and counties piling up the biggest heaps of food for the blast furnaces.

As the big nation-wide drive aught on rapidly with the pub-WPB announced that the three states collecting the most scrap per capital would get honorary plaques from Chairman Donald M. Nelson. Each county producing 100 pounds or more per capital will receive a salvage vic-

WPB's conservation division in announcing rules of the con-test, emphasized that only scrap metal or rubber which had been weighed and delivered to victory stockpiles, official salvage depots, or scrap dealers' yards, would be used in computing the

Only scrap collected during the three-week newspaper drive will be included in the final tabulation of the contest. The state salvage chairman will have final judgment in all matters concern-ing the competition figures.

.WPB said it had been suggested that each state chairman appoint a committee of three leading citizens to assist in judging the con-

Plaques for first, second and third state prizes will be suitable for installation in state capitols. flown from county courthouse or from staffs on on near large county victory stockpiles.

Not only the civilian public, but the army as well, has joined the scrap drive. Secretary Stimson said Thursday that at Fort Knox, firing range targets.

period would be restricted to 79 scrap metal per capita, a total of per cent of the amount available in the same period last year.

Scrap metal per capita, a total of 236,885,341 pounds. Harold W. Nichols, committee chairman, at-

ministration has been asked, he said, to work out rationing plans.

The announcement of the re
The an

Stalingrad War Ruins Depicted

MOSCOW, Friday, Sept. 25(P) head and the earth quivers under your feet in Stalingrad," Konstantin Simonov, Russian author and newspaperman, wrote Friday in describing his visit to the besieged Volga river

"There is wreckage everywhere, and everywhere the choking smell of smoke and high explosives," he said. "On the river beach are the corpses of women and children killed by German bombs. The Stalingrad water front is a great

"By night fresh soviet troops cross the river on barges and boats. The wounded are remov-

"The medical service is work-(Turn to Page 2, Col. 5)

#### Two Vessels In Atlantic **Sub Victims**

Five seamen, crew members aboard an American merchantman

and a Panamanian cargo carrier. counters which sank both ships, the navy revealed Thursday, but 98 others were rescued and land-ed safely at United Nations' ports. Latest victims of enemy U-boats 475 the Associated Press tally of announced sinkings in that area

Forty eight survivors of the Panamanian vessel were landed at an east coast port. One seaman was killed in the attack which occurred in the North Atlantic last

since America's entry into the

. The United States ship was torpedoed in mid-Atlantic last month by a friendly rescue craft almost

neutral nation's merchant marine losses in a three-year period erding Friday to at least 154 ships, totaling 418,366 tons, the Ameri-

### 3-Train Wreck **Toll Climbing**

20 May Be Dead in Maryland; Sleeper Car Struck: Burned

DICKERSON, Md., Sept. 24-(P) Toiling rescue crews Thursday night had removed 11 bodies from the twisted wreckage of two passenger trains and a fast freight in which 20 persons were believed to have died.

State police and railroad officials said 11 persons were known to be dead-nine of them having perished in a flaming Pullman car. Nine still were unaccounted for and feared dead, they said.

In the eerie light of spotlights and carbide lamps, wrecking crews attacked the Pullman, pulling it away bit by bit until the twisted hulk bore no resemblance

workers planned to work all by rifle-bearing Maryland State guardsmen who challenged anyone approaching the wreckage. No one without credentials was

at all to a railroad car. Rescue

allowed on the scene.

The bodies which had been taken from the wreckage were so badly burned immediate identification was impossible.

The sleeper car carried most of the victims when death struck swiftly Thursday moraing in a deep guily along the Baltimore and Ohio railroad tracks. One passenger express plowed into another, and tossed the Pullman into a freight roaring along the adjoining track.

Wreckage of all three trains jammed into a small mountain of crumpled steel in the narrow pass.

and fire from spilled fuel oil (Turn to Page 2, Col. 6)

#### Kaiser Halts NY Employing

NEW YORK, Sept. 24

Michael Miller, head of the Vancouver shipyards of the Henry J. Kaiser interests, said Thursday that with 4000 New York workdiate needs of the yards."

Recruiting of workers was halted Thursday night for at least a week to permit the Kaiser offices to catch up on the men aiready "screened" by the US employment service. In a week an

## Germany's Best Held Off From Volga Victory

Willkie Finds Disappointment Over Lack of Second Front; Ships Aid With Big Guns

By FRED VANDERSCHMIDT

A rising hope for the survival of Stalingrad took on greater substance Friday as the Russians officially reported their relief soldiers had beaten down the best assaults the Germans could muster in the city itself and had regained ground on the northwest sector.

Stalingrad went into its second month of ordeal by siege Friday with the Germans apparently no nearer victory than when they broke into the city proper last week. Ships of the Volga river flotilla poured shells into the

German masses striving to advance on the city's streets and the fire, the Russians announced, destroyed eight German guns "and a large group of enemy

Soviet guns threw down a barrage of fire in the city and wiped out two battalions of enemy infantry and guns and ammunition the Russians said.

To the northwest, where the soviets are bringing intense pressure to bear to help their beleaguered fellows within the city, the communique said "our troops engaged in active operations and

The Russians held those gains against seven enemy counter-attacks. The Germans suffered heavily: 35 German tanks were destroyed and about a battalion of infantry was wiped out.

But in the Mozdok area deep in the Caucasus, the Russians fell back from a populated place after exacting a fearful tell of men and guns from the Ger-

One soviet artillery crew, as an illustration of the price the Ger-mans are paying there also, "allowed the enemy to come within close distance and, opening fire, disabled 12 tanks and wiped out about a company of German cav-

In the Sinyavino sector of the northwest front, south of Lenin-grad, the Russians stood fast

en once more the worst blows the Germans could crowd into the day and night and had even bettered its position in the terrible battle.

Deep - seated complications, however, clouded the whole however, clouded the whole question of unified US-British-soviet action to win the war. Wendell Willkie, Mr. Hoose-velt's emissary, received during the course of his Moscow visit a disturbing impression of soviet coolness and dissatisfaction over the lack of a second allied front in western Europe.

This came to Mr. Willkie from This came to Mr. Wilkle from workmen and high officials alike and, while he obviously was not in a position to quote Joseph Stalin after their two-hour Kremlin conference, the big Indianan said nothing to indicate that the Russian leader had varied from this universal Russian attitude of frigid disappointment. id disappointment.

American correspondents who have worked in Moscow since the

Washington-London announce-Washington-Lendon announcements of last spring which re-ported full agreement with Russia on the "urgent tasks" required for the opening of a second front in 1942, cabled their own experi-ences with outspoken Russian criticism of both the US and Brit-

criticism of both the US and Britain on the non-appearance of a major diversion in Europe.

They said that Stalingrad and the Caucasus had come as hard blows to Muscovites and that the soviet people were saying resentfully now that they were carrying the whole burden of the war against Hitler.

In no case, however, was there any suggestion that the Russian resistance is flagging because of this troublesome international misunderstanding.

#### **US** Destroyer Disappears

250 Believed Lost From Jarvis and Transport Little

The 1500 - ton destroyer Jarvis with possibly 172 men aboard, has vanished in the southwest Pacific and is assumed to have been sunh craft, the navy announced Thursday, and the speedy auxiliary transport Little also has been lost. The casualty list of both ves-

sels was believed to total about 250, since, in addition to the men who disappeared with the Jarvis, the navy said that approximately half of those on the Little died The Jarvis' normal complement was 172 and the Little, a converted destroyer, usually carried

Both ships had been engaged (Turn to Page 2, Col. 4)

#### Children Set against German attempts to drive wedge into their positions. But it was of the greatest sigifficance that Stalingrad has tak-

CLEVELAND, Sept. 24 -School children, housewives an older people will be required to aid in essential war activities be-fore the war is won, Maj. Gen, Lewis F. Hershey declared Thurs-

The national selective service director, speaking in public hall, said "we will find in the future school children doing some sort of war work three or four hours a day and going to school at the same time.

groups.

He criticized absences from

#### Finland Denies Peace Reports

false and foundationies. Washington had intimated Fin-land was ready for a separate peace with the soviet union.

The communique explained the Finnish legition last week hald a press conference to correct wha