

Your complete morning newspaper, The Statesman, offers you pertinent comments on our news of the day by Kirby Simpson, Washington analyst.

Wednesday sunset 5:24 p. m. Thursday sunrise 8:53 a. m. Weather: Mon. max. temp. 45, min. 41. Tues. rain 1.28 in., river 17.6 ft. Weather data restricted by army request.

Key City of Kotelnikovski Falls to Reds

Flour Price Raise Bread Prices Held By Halt on Slicing

Revived Touhy Gang Caught In FBI Snare

Two Convicts Slain In Chicago Battle; FBI Plans Well

CHICAGO, Dec. 29-(AP)—An ingenious trap, devised after weeks of careful planning and operated by the nation's top ranking federal agents, snapped shut Tuesday on Roger Touhy and Basil "The Owl" Banghart.

The coup and a similar snare sprung six hours earlier resulted in the capture of Touhy, Banghart and Edward Darlak, brought death via gun battle to James O'Connor and St. Clair McInerney, and completed the roundup of the seven long-term convicts who shot and slugged their way out of the Stateville, Ill., penitentiary 80 days ago.

Thus, in two swift, melodramatic maneuvers, the law smashed the revived "terrible Touhy" gang—listed by FBI Chief J. Edgar Hoover as "the most vicious and most dangerous the country has ever had."

Hoover, who directed the pick of his "C" man corps in the operations, reported the trap set for Touhy and his two confederates probably was the most elaborate ever arranged.

The time was 5 a. m. The scene was a six-flat building at 5116 Kenmore avenue in a north side residential neighborhood. Touhy, Banghart and Darlak slept in one of the apartments on the first floor. Federal agents waited in a suite across the hall. Others, carrying machine guns and high-powered rifles, were stationed on the roof and across the street.

Floodlights were set in place. A loud speaker system was installed. Families were moved to the third floor so they could be evacuated through a sky light if the structure was filled with tear gas. The street was cleared.

At the zero hour the spot lights lighted the building. A voice boomed through the amplifier in the stillness of the night:

"Come out through the front door. Come out backwards and with your hands up. Banghart, you come out first."

The sound echoed eerily. It roused residents of a square block. For ten minutes the agents fingered the triggers of their weapons.

The door of the Touhy apartment opened. Banghart, hands overhead, backed out cautiously. Strong arms collared him.

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Poison Fatal To Three in War Plants

WHITE PLAINS, N.Y., Dec. 29-(AP)—The fatal poisoning of three war workers from chemicals with which they were working and the illness of approximately 120 other workers, "some so badly affected before preventive measures were taken that they may die," was disclosed Tuesday night by Westchester county health officials.

Richard McLaughlin, sanitary commissioner for the Westchester county health department, said that two of the persons dead were employed at the Anaconda Wire and Cable company plant, Hastings-on-Hudson, N.Y.

The third death was that of an employe of the Havirshaw Cable and Wire corporation in Yonkers, N.Y., Eugene F. McGilligan, health commissioner for the city of Yonkers, reported.

All 120, some of whom McLaughlin said "may die," were working at the Anaconda plant. He said they are "off work," but did not disclose how many, if any, were hospitalized.

Economies Ordered in Services; Home Use Flour Price Up

WASHINGTON, Dec. 29-(AP)

The government authorized Tuesday night an average 10 per cent increase in the price of flour at the mill, but prevented higher bread prices by discontinuing slicing and other services tending to increase costs.

Simultaneous action was taken by the office of price administration on flour prices and by Secretary of Agriculture Claude R. Wickard on bread standards.

OPA instituted a uniform schedule of flour prices throughout the country, replacing temporary price ceilings which froze individual mill prices at their September 25-October 2 levels. The prices were standardized according to various types of flour and regions.

The agency said, "this increase in flour prices should not necessitate an increase in the present retail bread prices because the higher flour costs will be completely offset by simultaneously introduced savings in the manufacture, packaging and distribution costs of bakers effected under a program of the department of agriculture."

Wickard revealed that, as far as the ordinary citizen is concerned, the principal economy will be the discontinuance of the slicing of bread sold for home consumption.

"Some housewives," Wickard said, "will be inconvenienced by the portion of the order eliminating the sale of sliced bread for home consumption. However, we believe they will be glad to cut their own bread if thereby they can contribute toward preventing a bread price increase and at the same time contribute to the war effort."

Other economies ordered by Wickard were a discontinuance of the practice of some bakers in selling bread to retailers "on consignment," limitation of the number of sizes and varieties any baker makes in a single week, and discontinuance except for certain

Chile Debates Axis Break

SANTIAGO, Chile, Dec. 29-(AP)

The senate debated international affairs at a secret session Tuesday night, and usually informed circles predicted that within a few hours it would approve a resolution for Chile to break off diplomatic relations with the axis.

Foreign Minister Joaquin Fernandez addressed the upper chamber before it recessed at 11 p. m. It was believed Fernandez had outlined various reasons why Chile should break off relations with Germany, Italy and Japan. A rupture of Chile's relations with the axis would leave Argentina the only western hemisphere nation maintaining such relations.

Meanwhile, the chamber of deputies Tuesday night completed action on a law to protect Chile's "external security" and to combat espionage.

DeGaulle Visit To US Sure

By The Associated Press

There were many indications Tuesday that Frenchmen in increasing numbers were forgetting their past differences to come together at the side of the allies everywhere in French Africa and amid these President Roosevelt confirmed that Gen. Charles De Gaulle was coming to the United States.

There had been reports that the purpose of the visit of De Gaulle, leader of the Fighting French national committee, was to put before Mr. Roosevelt a plan for a new French government to serve as the hard core of a strengthened and unified French war against the axis.

Allies Throw Back Jap Counter-Raid In Buna Sector

ALLIED HEADQUARTERS IN AUSTRALIA, Wednesday, Dec. 30-(AP)—Japanese attempts to counter-attack their way out of entrapment in the Buna sector of New Guinea have been repulsed for the second straight day, Gen. Douglas MacArthur announced Wednesday.

The noon communique also reported the reduction by the allies of 13 bunkers in a strongly fortified point of the Buna fighting zone.

On the aerial war front, the communique told of a raid Tuesday night on Kavieng, on New Ireland, which started big fires.

In the Buna area, Tuesday's communique also had reported the throwing back of a Jap counter-attack which had been loosed after a night time shelling, supposedly by enemy submarines of allied forces holding most of the Buna air strip.

River Rises To 18.1 Feet

1.28 Inches Rainfall Tuesday Puts Total 9 Inches Over 1941

Rising slowly throughout Tuesday, the Willamette river at Salem stood at 18.1 feet at 8:30 p. m., nearing the 19.5 foot crest anticipated for sometime today. Flood stages were reached at points on the Abiqua and Pudding rivers Tuesday when rains which began last Saturday brought up more than three feet in Silver creek, but the Willamette here was not expected to reach within 18 inches of flood.

Rainfall here, already this month approximately 1 1/2 inches greater than that recorded for December, 1941, was more than nine inches heavier for the entire year than the rainfall of the previous 12-month period.

Tuesday's precipitation of 1.28 inches brought the month's total to 9.95 inches, the year's total to 43.51, in comparison with last December's 8.43 inches and last year's 34.34.

Ferries on the river remained out of operation because of high

'43 Manpower Need Raised; Farm Assured

WASHINGTON, Dec. 29-(AP)

The acuteness of the manpower problem facing the nation in 1943 was emphasized Tuesday when the war manpower commission estimated that a total of 65,000,000 workers will be needed in full-time employment and the armed services by the end of that year.

These estimates added 2,500,000 to previous official forecasts that the total required would be 62,500,000. While there was no change in the estimate that 20,000,000 would be needed in war industry alone, a commission statistician explained the 1943 figure was based on the assumption there would be a 10 per cent increase in output per worker.

WMC Chairman Paul V. McNutt, said at a press conference that the 2,500,000 expansion in the estimate of total military and labor needs was attributable to greater needs of agriculture, lend-lease and supply.

Although he declined a full explanation he said, he would "go as far as necessary" to give agriculture all the workers needed to plant and harvest the 1943 crops.

"I think it will require utilization of a good many people who have not been in agricultural work before," he remarked. The WMC chief said that the number of persons engaged in war industry had grown from 6,900,000 to 17,500,000 during 1942 while the number in non-war industry had dropped from 29,200,000 to 21,100,000.

France to Be Bombed

LONDON, Wednesday, Dec. 30

(AP)—Indication that the allies plan to bomb targets in former unoccupied France was seen Wednesday in a BBC warning to the French to keep away from German headquarters, as well as factories and railway centers being used by the nazis.

French Repulse Germans

Enemy Gains at One Point in Tunisia; Yankees Attack

LONDON, Wednesday, Dec. 30 — (AP) — German troops counter-attacking south of Pont-Du-Fahs, 30 miles south of Tunis, were repulsed by French troops Tuesday with the exception of one point where the enemy was able to advance slightly "at the cost of heavy losses," a dispatch from French headquarters in Africa said Wednesday.

By The Associated Press

LONDON, Dec. 29—Allied troops have withdrawn from a hill six miles northeast of Medjez-El-Bab on the road to Tunis "after inflicting severe casualties on the enemy," while allied fighter planes striking clear across southern Tunisia blasted and set afire 20 axis troop and supply trucks near the Libyan frontier, a communique said Tuesday.

The withdrawal was believed to be a discretionary move. During a lively Christmas day battle in which the allies captured most of the ridge, the Germans were not dislodged from the top-most heights, and the disadvantages of the inferior positions, coupled with adverse weather conditions, may have made the ringside positions precarious.

A delayed dispatch from southern Tunisia said American troops had raided Maknassy, only about 80 miles from the eastern coastal road linking Tunisia with Marshal Rommel's Libyan forces, capturing 21 Italians and killing and wounding many others. The mission was completed after sharp street fighting and the reduction of numerous sniper positions.

Berlin acknowledged this threat to its coastal road by announcing that US troops had rolled into Gafsa, about 40 miles west of Maknassy.

French troops also were threatening to cut the axis Tunisian forces into still another segment by continued blows in the Pont-Du-Fahs area, only 30 miles south of Tunis and about the same distance from the eastern Tunisian gulf of Hammamet.

French headquarters in Tunisia said that French troops, backed by allied tanks and planes, had cut an important road south of Pont-Du-Fahs after a fierce dawn battle Tuesday, and that the enemy had been cleared from the area. Foreign legionnaires were credited with a great share of the fighting.

Farther south between Pichon and Kairouan where the French also were driving toward the eastern Tunisian port of Sousse, the French said "we improved our position."

Widespread aerial activity was resumed over Tunisia with allied bombers and fighters raining explosives on axis rear line bases, including Sousse and Tunis, and strafing enemy communications.

Bombs Hit Bangkok

By THEOBURN WIANZ

WITH UNITED STATES BOMBERS OVER BANGKOK, Dec. 26—(Delayed)—(AP)—Young American airmen gave the Japanese a good taste Saturday night of what they can expect when the united nations take over airports closer to the enemy's home islands.

Bangkok was made the example. The largest force of United States heavy bombers ever to attack a single target in the China-India war theater attacked the Japanese-occupied capital of Thailand and poured high explosives on the naval dockyard, main railroad station, the arsenal and the Connaught airdrome in the Bangkok area.

The round-trip flight was one of the longest air missions of the war.

I had a bird's eye view of thousands of pounds of bombs blasting the target with devastating effect.

One of the five bull's-eye hits on the arsenal lit up the whole countryside and even illuminated the attacking bomber high above.

Former and New French Commanders in Africa



Gen. Henri Honore Giraud, new commander of all French Africa, confers with Adm. Jean Francois Darlan during an inspection of military installations before Darlan was assassinated. This photo, radiated from London to New York, is the first of General Giraud since his escape to north Africa.—Associated Press Telemat.

Committee Asks Incorporation

Defense Recreation Needs Discussed; No Agency Named

Going on record as favoring incorporation of their committee to make it possible to secure federal funds under the Lanham act should they be deemed needed for the city's 1943 recreation program, the Salem defense recreation committee met Tuesday afternoon at the chamber of commerce.

Preceding the business session, representatives of the USO council, headed by Tinkham Gilbert, appeared before the committee to urge that the anticipated second soldier recreation center here be USO-operated, explaining that organization's system for securing trained workers with peacetime recreation experience and the place it has already made for itself in the Salem community.

No recommendation as to what agency should operate the second center, if and when secured, was made by the city

\$1,800,000 Puts State Near Goal

PORTLAND, Dec. 29-(AP)—The state war bond office reported \$1,800,000 in receipts Tuesday in the campaign to put Oregon over its \$100,000,000 goal for the year.

Ray Conway, state bond administrator, told 100 member of the bond office staff at a banquet celebrating the staff's first anniversary, that the total is now \$98,800,760.

Shipbuilders Put Out 750 Vessels, Meet FDR Goal

NEW YORK, Dec. 29-(AP)—The American shipbuilding industry turned out in 1942 a record number of 750 merchant vessels, totaling 8,000,000 deadweight tons, to meet President Roosevelt's "blueprint for victory" goal, H. Gerish Smith, president of the National Council of Shipbuilders, said Tuesday.

(Axis submarines have sunk 575 allied and neutral cargo ships in the western Atlantic since Pearl Harbor in the Associated Press tabulation of announced sinkings.)

In a year-end statement, Smith asserted that "if we are given the men, materials and equipment we can and will meet the president's call for 15,000,000 deadweight tons of merchant ships in 1943."

Smith, saying his statement was approved by the navy and maritime commission, asserted that shipbuilders, rising to meet the challenge of mass-production, delivered more than seven times the output of 1941, when 1,088,497 tons were completed, and smashed all standards for monthly production.

The industry built 125 merchantmen, aggregating 1,110,000 tons, in December. The previous record, set in September, was 93 vessels with a deadweight tonnage of 1,009,800. The yards turned out 84 cargo carriers of 891,760 tons in November.

Smith said that 600 of the 750 ships were of the Liberty type, the emergency freighters of approximately 10,500 deadweight tons, which are mostly all-welded and constructed in yards designed for that purpose.

Casualty List Publication In Full Okeh

WASHINGTON, Dec. 29-(AP)—The army and navy said Tuesday that future casualty lists may be published and broadcast in full, reversing a policy effective since a few days after Pearl Harbor.

The first list to receive such treatment was given out for use in morning newspapers of Thursday, or for broadcast after 8 p. m. in all time zones, Wednesday.

Heretofore, both newspaper and radio stations could use only the names of those casualties whose next of kin resided in the immediate area.

This policy had the purpose of preventing the enemy from deducing what naval or army units might be operating in specific areas from the names contained in full nationally published casualty lists.

The new arrangement was worked out by the office of war information, in the interest of a more complete war news coverage.

Raver Predicts Lack of Power

Ickes Praises West's Reclamation Projects In War Contribution

PORTLAND, Ore., Dec. 29-(AP) Bonneville Administrator Paul J. Raver Tuesday predicted a serious power shortage in the Pacific northwest for war production in 1944.

He advocated immediate construction of additional dams on the Columbia river.

Raver disclosed in his annual report to Interior Secretary Ickes that \$1,259,449,000 (B) in war contracts were placed in the northwest in the fiscal year ending June 30, 1942.

The Bonneville administration turned over 81.4 per cent of its total output directly to plants producing airplanes, ships, ordnance, military and naval supplies, Raver said.

Because some of the administration's power sold to public and private utilities was resold to industry, Raver estimated that 92 per cent of Bonneville and Grand Coulee dams' power was used in war production.

The administrator also urged planning for the post-war period. "Our studies indicate a need of

British, Jap Troops Clash Nearer Akyab

LONDON, Dec. 28 —(AP)—A clash between British and Japanese troops at Rathedung in Burma, only 25 miles north of Akyab, indicated to military observers here Tuesday that Gen. Sir Archibald Wavell's Indian army was closing down firmly on that strategic city.

In addition to depriving the Japanese of a valuable base from which to bomb India, the capture of Akyab would give the allies a good airfield from which to punish the enemy along the Irrawaddy river from Rangoon to Mandalay.

It was emphasized, however, that the clash at Rathedung probably represented no more than a "large-scale raid" by Wavell's troops and that the main British offensive to recapture Burma and reopen the Burma road into free China obviously had not yet begun.

Observers were inclined to discount a report by the axis-controlled Paris radio that British troops already had penetrated the Chinwin river valley east of the Chin hills, which lie across a possible invasion road toward Mandalay. Recent communications from New Delhi, however, have mentioned vigorous patrol action in the Chin hills.

In a statement Tuesday Wavell said at New Delhi merely that his army was "getting every day into a better position to fight the Japanese consistently and successfully."

Offenses Rush At Rostov

Strategy Goal Made; 22 Nazi Divisions In Soviet Circle

By EDDY GILMORE

MOSCOW, Wednesday, Dec. 30-(AP)—Russian troops have captured Kotelnikovski, 90 miles southwest of Stalingrad, in the onrushing effort to reach Rostov on the sea of Azov and trap a million-man German army stalled in the Caucasus and before Stalingrad.

A special soviet communique issued early Wednesday announced tersely:

"Our troops occupied the town and railway station of Kotelnikovski. Large trophies were captured,

among which were 17 planes and a convoy of tanks."

The regular midnight communique also announced the capture of Torgovaya, 57 miles southeast of Kotelnikovski, and about 40 miles above Elista, provincial capital in the Kalmyk Steppes of the Caucasus.

Thus one of the great goals of Russian winter strategy had been achieved on the basis of additional information here. The capture of Kotelnikovski was a further blow to the nazi hope of receding 22 divisions which the Russians say are trapped between the Don and Volga rivers north of Kotelnikovski. Other red army units have been hammering these 300,000 nazis from all sides for weeks, steadily driving wedges into their hedgehog positions and virtually severing all their supply routes save by air transport.

Far to the northwest soviet troops that crossed the middle Don and veered southward toward Rostov were believed to be nearing a junction with those in the Kotelnikovski sector. It is said such a union would throw a second red army ring around the 22 nazi divisions. And if these two soviet columns converge at Rostov an even greater German army would be cut off in the Caucasus, the Russians said.

The middle Don offensive already has surrounded Millerovo on the Moscow-Rostov line and has by-passed that town in the drive toward Rostov. The Russian troops churning through snow and operating under sub-zero temperatures were believed to be within 100 miles of Rostov on that town's northern approaches.

The regular midnight communique that followed the special bulletin said the Russians had killed a total of 3560 nazis and had captured 470 Tuesday during the offensives on the middle Don and Stalingrad fronts. The soviets already had announced the killing of 19,000 Germans southwest of Stalingrad between December 12 and December 27, and a toll of upwards of 120,000 nazis had been reported.

Sweden Foresees US Isolation Ban

STOCKHOLM, Dec. 29-(AP)

Swedish political quarters took Vice President Wallace's speech Monday night as evidence that the United States does not intend to withdraw from European problems after the war, and said that this news "will be received with special satisfaction by the Swedish people."

The newspaper Aftonbladet carried the speech under a headline: "USA Has Learned Its Lesson; No More Isolationism."

RAF Raids Germany

BERLIN, (From German Broadcasts), Dec. 30-(AP)

The Berlin radio reported Wednesday that a small number of British bombers had carried out "mission raids" over western Germany Tuesday night.