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Thursday sunrise 5:53  
M. Weather: Tues. max. temp. 53, min. 36. Tues. rain .19 in. Wed. river 15.5 ft. Weather data restricted by army request.

NINETY-SECOND YEAR

Salem, Oregon, Thursday Morning, January 7, 1943

Price 5c.

No. 208

# Russians Capture 21 Towns in 2 Drives

## Congress Called Victory Session, Control Narrow

### Rayburn Elected, Promises Defense of Legislation, Flays Division Leaders

By RICHARD L. TURNER

WASHINGTON, Jan. 6—(AP)—The 78th congress—dubbed the "victory congress" from the rostrum of the house—met Wednesday in a mood for solemn united action to win the war and for sharp insistence upon writing its own laws on domestic issues, regardless of the wishes of the White House.

These two determinations dominated a brief preliminary session of speech-making and of organization for the tragically vital period which lies ahead. They were expressed by republican spokesmen, conscious of their greatly reinforced strength. And they came from the democratic side of the political barrier as well.

Last fall's election, with its wide republican gains, was reflected at the outset in the closest vote for party control of the house in the last decade. The democrats won. By 217 to 206, they reelected Speaker Sam Rayburn.

Immediately, the tension of the situation was broken. Republicans and democrats alike jumped to their feet in a stormy and prolonged ovation. And when Rep. Martin of Massachusetts, the defeated republican nominee for speaker, said it was particularly appropriate that this honor should go to Rayburn on his 51st birthday, the pandemonium was renewed.

Someone among the republicans started chanting "Happy Birthday to You." It was quickly picked up by others and in a moment the whole house was singing, while Rayburn stood on the dais, smiling, but merely overcome with embarrassment and emotion.

This was in vivid contrast with a later development. Rayburn, accepting the speakership, referred to President Roosevelt as the greatest "war leader" that could have been found for the present emergency. The democrats shouted and hand-clapped their noisy approval. The big republican membership sat, stony silent, and bored.

The senate, always the more sedate of the two bodies, meanwhile went through its historic

Body of Ace Boyd Wagner Found, Plane

JOHNSTOWN, Pa., Jan. 6—(AP)—The war department late Wednesday notified the parents of Lt. Col. Boyd "Buzz" Wagner, air hero of the Philippines, that his body has been found in his wrecked plane about 25 miles north of Eglin Field, Fla.

Boyd D. Wagner, the father, said the telegram from the war department added that Wagner's

Davis Doubts Halsey Stand For '43 Win

WASHINGTON, Jan. 6—(AP)—Elmer Davis, whose job is to keep the nation informed on the war, took exception Wednesday to a high-ranking naval officer's flat prediction of victory this year.

Asked for comment on the optimistic view recently expressed by Adm. William F. Halsey, the south Pacific commander, Davis responded:

"I have no information to support such a prediction, although I have been trying to get some."

On the contrary, the director of war information asserted, the Germans, to the best of his knowledge, still are building more submarines than the United Nations are sinking and the toll the U-boats are taking of allied shipping is creating "heavy losses in ships and in the cargoes that go with them, and sometimes trained men on them."

Although he spoke pessimistically of the "continuing serious submarine menace," Davis said the United Nations, particularly the United States, for "some months" have been building ships faster than the axis subs were sinking them.

Of the state department's recently-issued white book detailing the efforts of the United States and other United Nations to prevent war in the decade before Pearl Harbor, Davis reported that axis propagandists appar-

## Speech Today

WASHINGTON, Jan. 6—(AP)—President Roosevelt will appear before a joint session of the senate and house at 9:30 a. m. Pacific war time, Thursday to deliver his annual address. The address will be broadcast. It was believed that, among other things, the president would touch upon Russia's stand against the nazis, the swift conversion of American industry to war purposes, and the contribution it has made in unprecedented production of war material.

## Produce Price Top Simplified

### Fixed Margins Set; Machinery Ready To Hit Shortages

WASHINGTON, Jan. 6—(AP)—Simplified price ceilings for retail sales of butter, cheese, poultry, fresh citrus fruits and bananas were issued Wednesday night by the office of price administration. They became effective January 14.

The new ceilings prescribe fixed margins over the retailer's net cost and replace price curbs based on the highest prices charged in specified periods in the past. OPA predicted somewhat lower retail prices for bananas, little change in butter and cheese and slightly higher prices for poultry and fresh citrus fruits.

"The new markups represent retailer's normal margins, but reflect a material reduction from the speculative margins secured, in many cases, during recent months," OPA said. The fixed markups will be figured over specified dollars and cents prices, previously established for importers of bananas, and for processors and wholesalers of the other products.

WASHINGTON, Jan. 6—(AP)—Secretary of Agriculture Wickard reported Wednesday night the food distribution administration

## East Forfeits Use of Autos For Pleasure

WASHINGTON, Jan. 6—(AP)—OPA Wednesday banned pleasure driving in the east and slashed the amount of fuel oil that schools, churches, stores, theatres and other non-residential establishments may consume in the 17-state area.

Many such buildings face the possibility of curtailing their hours or days of operations under the order. OPA left it to the school boards, store operators and others in charge of oil-consuming buildings to determine how they will meet the reduced fuel rations.

Amusement places were especially hard hit. The order forbidding pleasure driving in the east specifically banned motoring to theatres as well as race tracks.

With this order certain to cut down amusement centers' patronage and the fuel oil order threatening to make theatres and night clubs cool beyond comfort, continued operation of some of the establishments seemed in doubt.

Use of fuel oil in non-residential establishments in the east was curtailed 25 per cent below present rations, giving them about 45 per cent of normal requirements.

Under the edict against pleasure driving, effective at noon Thursday, any motorist driving to amusement centers or to "purely social engagements" faces the cancellation of all or part of his gasoline ration.

## Yamhill Tavern Owner Acquitted

McMINNVILLE, Ore., Jan. 6—(AP)—Cecil Wright, Newberg, one of 14 Yamhill county tavern operators indicted on charges of selling liquor to a minor, was acquitted Wednesday by a circuit court jury after 35 minutes deliberation.

## Tobacco Kit New Industry

### Virginia Firm Packs Soldier 'Smokes' In Salem Plant

By STEPHEN C. MERGLER  
Salem's newest and one of the city's largest defense industries, a plant assembling tobacco kits destined for US soldiers overseas, received authorization from the army quartermaster corps Wednesday to tell of its operation.

Set up by Larus & Brother, Inc., nationally-known tobacco company located at Richmond, Va., the plant has been running for two weeks on the main floor of the Larmer warehouse at 889 North Liberty street.

The operation represents many hundreds of thousands of dollars' worth of goods being brought into Salem, repacked and reshipped to embarkation points. Size of the payroll may not be disclosed.

"We are not permitted to tell the brands or the quantities of smoking tobacco, cigarettes or chewing tobaccos involved in our operation, but we can state that a huge operation is involved," William H. Howard, manager of the firm's Pacific Overseas Assembly branch, as it is called, said. "We believe that from the Salem plant we can supply all the army's needs in the Pacific overseas area."

H. B. Haddon of the Richmond staff of Larus & Brother, who is serving as assistant manager of the branch, expects to remain in Salem as long as the plant is in service, which will be as long as the war lasts, Howard said.

Arranged on an assembly line basis, the plant operation consists of packing wooden-cased kits, each representing a day's ration for 200 soldiers. Into each kit go three sealed waterproof packets containing assorted tobaccos of popular brands, and matches. The three packets are enclosed in a similarly waterproof and sealed paper liner and the contents placed in a nailed and wired wooden shipping case not far from an apple box in size.

"At top production rates, we can pack and load around 4800 kits in an eight-hour shift, or nearly two full boxcars," Manager Howard said. "In all probability an additional shift will be added, and there is a strong possibility that we may go to a 24-hour a day basis."

At least two Salem business firms are benefitting from the plant through sub-contracts. The principal secondary order is for manufacture of the wooden cases, held by Salem Box company, and the other, obtained by the Salem

## Oust Barkley Move Balked

WASHINGTON, Jan. 6—(AP)—An undercover campaign to displace Alben W. Barkley of Kentucky as senate majority leader was reported Wednesday night to have collapsed but there were indications that an effort would be made in the democratic caucus to break the administration's hold on the important steering committee.

Barkley called the 57 senate democrats for a caucus Thursday afternoon to effect their party organization for the 78th congress and appeared likely to be reelected leader without opposition.

This result was forecast after some senators, angered by Barkley's action in forcing the senate to order the arrest of several members last fall in the midst of a filibuster candidates against a bill to abolish state poll taxes, began a move then to oust Barkley as leader.

Balked in this move, a group of senators critical of the administration met secretly Wednesday and decided to back Senators Bailey of North Carolina, Maloney of Connecticut and Overton of Louisiana for vacancies on the democratic steering committee.

## Nazi Group in Britain

LONDON, Thursday, Jan. 7—(AP)—The German armistice commission captured by the Allies in Algeria was reported Thursday to have arrived in Britain. Allied headquarters here said they had no comment to make on the report.

## Boats Quit Doomed Japanese Vessel



Like rats quitting a doomed ship, small boats speed away from this burning Japanese cargo ship after it had taken an aerial pasting from United States Flying Fortresses raiding Shortland harbor, at the southern end of Bougainville island, northernmost of the Solomons. This picture, an enlargement from a 16 mm. movie clip, was taken a few minutes before another flight of "Fortis" scored direct hits on the ship.—IIN Photo.

## Yank Bombers Slash in Pacific

### British Vets Gain, Tunisia

#### Jebel Azzag Taken; Allied Airmen Hit Axis Shipping

By The Associated Press  
ALLIED HEADQUARTERS IN NORTH AFRICA, Jan. 6—Veteran British First army troops captured Jebel Azzag and nearby points in an attack launched Tuesday to drive the axis enemy from high ground dominating allied positions along a road about 15 miles west of Mateur, the allied command announced Wednesday night.

It was the first real fighting in two weeks in north Tunisia. "Successful attacks were made on hills north of the road and we captured Jebel Azzag and other points in the vicinity," the allied command communique announced.

"Our forces are mopping up isolated machine gun posts and have repulsed a counterattack against one of our newly-won positions."

In the air, a headquarters spokesman said, Fortress bombers scored hits, or near misses on a cruiser leaving the Tunisian harbor of Sfax and left the Sfax power station in flames.

"The admiralty announced in London that British submarines had destroyed a large enemy troop transport and supply ship; hit and probably sunk two other vessels in the Mediterranean, and bombed the Italian and axis-occupied Greek coasts."

(The British and Americans announced in Cairo that their bombers blasted the Tunisian port of Sousse Tuesday. The Americans said their heavy bombers put all their explosives within the target in a daylight raid and bursts were observed on the commercial phosphate and southern quays. The British merely announced that hits were scored on quays and buildings.)

Mateur is 25 miles southwest of the naval base of Bizerte. (Reuters, British news agency, said that a British force of commandos had landed at Mateur.)

## Filbert Growers Plan Marketing

PORTLAND, Jan. 6—(AP)—Northwest filbert growers Wednesday night approved creation of a committee to plan consolidation of cooperatives into a single marketing agency for Oregon and Washington.

A committee composed of Claude A. Seranous, Portland, chairman, and C. E. Grelle, Portland, and Fred Chambers, Eugene, will be expanded to include a representative membership from filbert districts of the two states. Each group will be known in the future as the filbert growers' market development committee.

### Alert Lockard Has 'Honolulu' Station Again

SEATTLE, Jan. 6—(AP)—Lt. Joseph L. Lockard, the youth who won a distinguished service medal for his alertness in reporting the sound of approaching airplanes on a Pearl Harbor detector on that fateful December 7, will have a Honolulu station again.

He will have to head north to get there, and there will be mukluks and parkas galore, but no grass skirts.

This Honolulu is a stop on the Alaska railroad in the territory's frost-bitten interior. It is south of Colorado and north of Montana, other stops about 150 miles north of Anchorage.

Lockard was commissioned a second lieutenant last summer and assigned to the Alaska communication system as an engineering officer.

## Nehring Said Ousted From Africa Army

LONDON, Thursday, Jan. 7—(AP)—A roundabout report reached London early Thursday stating that the German army commander in Tunisia, Gen. Walther Nehring, has been replaced.

A Reuters dispatch from Stockholm quoted the Berlin correspondent of the Swedish newspaper Svenska Dagbladet as saying that General Von Arnim had been appointed German commander-in-chief in Tunisia in place of Gen. Nehring.

One report was without immediate confirmation elsewhere. Gen. Von Arnim is relatively little known outside Germany, although he had figured from time to time in German reports of the African campaign.

There have been no recent reports abroad of Gen. Nehring's being in disfavor. On the contrary, his forces have presented formidable opposition to the advancing allies in Tunisia.

Von Arnim was described in the Reuters dispatch as a tank commander and "one of Hitler's favorites" who was promoted to the rank of colonel general recently.

A Moscow report last October said Von Arnim had been appointed commander of the 118th German division known as the "hair-pin" division because of the resemblance of its badge to a hair-pin.

### Enemy Planes, Ships Wrecked

#### Kiska Cargo Vessel Sunk; Navy Force Batters Munda

ALLIED HEADQUARTERS IN AUSTRALIA, Thursday, Jan. 7—(AP)—Medium bombers and attack planes of the southwest Pacific command Wednesday swept over the Japanese airdrome at Lae in New Guinea, destroying four anti-aircraft guns positions and grounded bomber. Meanwhile, allied ground forces pushed preparations for the final assault on the remaining Jap foothold in northwestern New Guinea—in the Sanananda area.

Except for an attack on the Gasmata airdrome on New Britain island by a Flying Fortress, Gen. Douglas MacArthur's heavy bombers were out of the operational picture Wednesday while B-25s and fighters carried on the job of softening enemy positions along the Sanananda trail with bombing and strafing attacks.

Other allied bombers paid another visit to the airdrome at Gasmata, on New Britain island.

WASHINGTON, Jan. 6—(AP)—Indications that the Japanese are continuing strenuous efforts to strengthen their base at Kiska in the Aleutian Islands came Wednesday in a navy report that American bombers had sunk one enemy cargo ship and scored a direct hit on another in those waters.

The ship sunk, a navy communique said, was attacked by Mitchell medium bombers Tuesday about 110 miles northeast of Kiska. (Turn to Page 2—A)

## Chained Greeks Taken to Italy

CAIRO, Egypt, Jan. 6—(AP)—Greek officials announced Wednesday night that 300 Greeks, including generals, other officers and civilians, had been transported to Italy in chains from axis-occupied Greece.

On information received from Greece, these officials said guerrilla activities in that country had brought a fresh wave of terrorism from the Italian-occupying authorities.

Greeks were said to have been flogged, their homes burned and their property confiscated in attempts to make them reveal particulars of patriotic organizations offering opposition.

During his term of office from 1909 to 1933, President Lowell saw the enrollment of the university more than doubled and its endowment multiplied nearly six times, to more than \$125,000,000.

## Pincers Nearer Rostov

### Caucasus Nazis Run Before Trap Shuts; Don Fight Heavy

LONDON, Thursday, Jan. 7—(AP)—Russia announced the capture of 21 towns and two more railway stations Wednesday in the middle Don and Caucasus offensives and said that these drives have cost the nazis more than 330,150 dead and captured since November 19.

Two communique as broadcast by Moscow and heard by the soviet Monitor here listed one town as Marinsk, which may be a town of that name on the lower Don about 25 miles south of Izmilyansk, which the Russians said fell to their armies on Tuesday.

Marinsk is about 92 miles from Rostov, Caucasian gateway whose fall would trap hundreds of thousands of German troops in the Caucasus.

Another town was listed as Krem-Konstantinovskaya which the soviet monitor here did not locate. The monitor first announced it incorrectly as Konstantinovsk. There is a city of that name about 65 miles short of Rostov.

Many of the newly won points were in the Nalchik-Prokhladnenski sector deep in the Caucasus where the Germans were reported retreating hastily northward toward Rostov lest they be trapped by the Russian columns striking westward from Stalingrad and southward along the Moscow-Rostov railway in the middle Don area.

The capture of these cities was reported in the regular midnight communique. Before it was issued a special communique said that 26,500 Germans had been killed or captured from January 1 to January 5 on the Stalingrad front, and the regular bulletin added approximately 1050 more nazi casualties during Wednesday's operations to that figure.

The Russians admitted the Germans were counterattacking heavily in the middle Don and southwest of Stalingrad, but did not acknowledge any sustained resistance in the Caucasus battle zone some 360 miles southeast of Rostov. This bolstered the belief of British military quarters that the Germans were withdrawing in that area without putting up any organized fight there.

## Moran Flays Output Delay

HOUSTON, Tex., Jan. 6—(AP)—Capt. E. B. "Mike" Moran, commander of the Jap-destroying cruiser Boise, reminded a patriotic rally Wednesday night that there are now more than 35,000 interested third parties to labor-management squabbles listed as dead or missing.

In a prepared address, Capt. Moran deprecated delays in the production of materials of war and urged more speed and greater output.

He said he could not believe Adm. William L. Halsey had declared the war would end this year.

"I talked with Adm. Halsey just before I left the south Pacific," Capt. Moran departed from a prepared address to declare: "The news has been good—unbelievably good, but we are not that far along.

"Annihilation is the only answer in the Pacific."

## Tax Answers

Have the new federal taxes—income and victory levies—confused or worried you? At least, they have definitely affected nearly every income earner in the nation.



LT. COL. BOYD WAGNER

ship had crashed during a routine flight from Eglin field to Selfridge Field, Mich.

Col. Wagner, only 26, was one of the first American aces of World War II. After service in the Philippines, he went to the southwest Pacific and was reported to