NINETY-SECOND YEAR

Salem, Oregon, Tuesday Morning, January 12, 1943

FR Tells

For War

9 Billions Non-War:

Budget

No. 212

Senate Jamined on Vote For President

Soviets Surge North

Caucasian Cities Fall: Rommel Still Flees; French Navy Fixed

By WILLIAM SMITH WHITE Associated Press War Editor

The Russian forces of the Caucasus, reporting the reoccupation of three major points on and along the main railroad to Rostov, were moving forward Monday night with such rapidity as to indicate that the nazis were now in urgent retreat in an effort to reach and hold that possible door of exit for the German armies bloodily engaged against the primary soviet weight along the lower Don.

There were indications that the momentum of these red offensives some 60 miles above Rostov, contrary to the position in the Caucasus, had been materially reduced by savage and desperate German counter-attacks, but the speed of Hitler's Caucasian withdrawal reflected his fear that these doubtful barriers could not be long maintained.

Red army tanks and motorized infantry captured six Caucasian cities Monday, including Georgivsk, Mineralnye Vody, and Pyatigorsk, the soviet announced in one of its most impressive special communiques.

The fighting in north Africa, which in the grand allied plan is closely related to the majestic military drama now unfolding on the far Russian plains, was confined principally to the air but there it took on the appearance of a great correlated American and British offensive extending from Tunisia clear to Tripoli in Libya.

Rommel, it appeared in all accounts, had resumed his retreat and was racing westward in an attempt to join up with General Nehring's forces, presumably leaving Tripoli to be engulfed. It was to prevent such a juncture, or at all events to cut Rommel down far beyond his present strength, that British and American airmen were in such heavy

One of the most spectacular air actions reported during the day was a one-man assault by Maj. Philip George Cochran of Erie, Pa., flying alone low over Kairouan he dropped a big bomb, the only one he carried, squarely in the middle of the German military headquarters, smashing it.

As to the future of the African campaign, Vice Admiral Glassford, the head of the American mission to Dakar in French West Africa who now is at allied North African headquarters, disclosed that the 35,000-ton French battleship Richlieu was being put into condition to become within a few months "a top-notch ship fighting with the allied navies."

The bulk of the French fleet at Dakar, he said, would be ready o fight within about a month.

French political developments in North Africa appear to be reaching a climax, and "in a few days you may hear that heads have fallen and new men stepped into positions of authority," Charles Collingwood, CBS. correspondent, reported Monday night in a broadcast from

Collingwood said the striggle for political control was between the "men of Vichy," the royalists "who would like to see a king of Argentina France again" and the "Fighting French of Gen. Charles De Gaulle. He reported North Africa has been "swept by intense political agitation" since Adm. Jean Dorlan's assassination, and "those who had him killed did so for a reason, and that reason is tied up with the struggle for power that is going on now."

Service Men

W. Harry Wiedmaier, newlyamissioned as a second lieu-ant of infantry in the US army, arrived home in Salem Monday for a brief visit with his family and friends before re-turning for additional training. Active in Boy Scout leadership and state civilian defense, Wiedier entered training as a vol-

Destroyed in Pacific Action



The USS Hornet (above) was announced Monday night by the navy as the aircraft carrier reported lost but not named after the battle of Santa Cruz October 26. The craft, constructed in 1941, was the seventh US naval vessel to bear that name. For pictures of other ships disclosed as sunk, see

Navy Announces Hornet Sunk

US and Britain 3 Cruisers', Yield Rights

Treaties With China Writes Finish to Extra-Territoriality

WASHINGTON, Jan. 11-(AP) The United States and Great Britain, in identical treaties signtheir extra-territorial rights and privileges in China.

In effect, the Anglo-American move applies to China what Secretary of State Hull has called. "the principle of equality of treatment among nations."

From the Chinese point of view, it constitutes formal assurance that the post-war sovereignty of China will be free of the fetters of a system which enabled foreign powers to do in China what they could not do normally within the borders of a sovereign foreign nation.

Specifically, the United States, He is safe. in the treaty signed here by Secretary of State Hull and Chinese Ambassador Wei Tao-Ming, relinquishes its right to maintain He is safe. troops in China or ships of war in Chinese waters, relinquishes its right to maintain its own court of justice in China, and acknowledges the principle that Chinese nationals in the United States and American nationals in China Pa. He is safe. should be on the same footing in respect to legal proceedings, the

administration of justice and the levying of taxes. The treaty, still to be ratified by the senate, will have little practical effect until after the war, inasmuch as Japan now controls much of the areas in which extra-territorial rights existed. Its moral significance, however, is that it recognizes sovereign China

as an equal among the nations. In telegrams to President Roosevelt and Prime Minister Churchill Generalissimo Chiang Kai-Shek said the treaties were a "signal proof of solidarity among the United Nations not only for the purpose of war but also winning

Of German

BUENOS AIRES, Jan. 11-(P) -The Argentine government anneunced Monday night that it had asked Germany to recall Capt.
Dietrich Niebuhr, German embassy naval attache accused of essy naval attache accused of es-pionage after an investigation Scheduled Today ased on information supplied by the United States.

The action followed the German government's refusal to surrender nounced Monday that James F. he fell through the floor of the him to the jurisdiction of the su- Byrnes, director of economic sta- old Mellow Moon skating rink into preme court for trial—a necessary bilization, would present Presistep because of diplomatic immunities enjoyed by axis person-

nel here.

7 Destroyers' Loss Revealed

WASHINGTON, Jan. 11 .- (AP) The navy announced Monday night that the 20,000-ton Hornet was the American aircraft carrier sunk in the battle of the Santa Cruz island last October 26, and ed Monday in Washington and identified at the same time three Chungking, formally relinquishing cruisers and seven destroyers which had heretofore been reported sunk but not identified.

By JOHN M. HIGHTOWER

The other vessels named as lost all in battles in the Solomon islands area of the south Pacific. and their commanders are:

The Northampton, heavy cruiser, Capt. Willard A. Kitts, 3rd, of Oswego, NY. He is safe. The Juneau, 6000-ton light cruiser, Capt. Lyman Knute Swenson of Provo, Utah. He is missing.

The Atlanta, 6000-ton sister ship of the Juneau, Capt. Samuel Power Jenkins, of San Diego, Calif.

The Monssen, 1630-ton destroyer Lt. Comdr. Charles Edward McCombs, of Martins Ferry, Ohio.

The Cushing, 1465-ton destroyer, Lt. Comdr. Edward N. Parker of Bellefonte, Pa. He is safe. The Benham, 1500-ton destroyer, Lt. Comdr. John Barrett Taylor, of Churchille, Bucks county,

The Preston, 1480-ton destroyer. Comdr. Max C. Stormes, of San Diego, Calif. He is missing.

The Walke, 1750-ton destroyer Comdr. Thomas Edward Fraser, of Philadelphia, Pa. He is missing. The Barton, 1700-ton destroyer, Lt. Comdr. Douglas Harold Fox, of Dowagiac, Mich. He is missing. The Laffey, 1700-ton destroyer. Lt. Comdr. William Edwin Hank, of Norfolk, Va. He is missing.

In the battles in which these American ships were sunk, the Japanese lost 37 vessels sunk and 18 damaged.

The navy announcement of the loss of the Hornet was made in a communique which said the name of that and the other ships had been withheld "for reasons of military security and to avoid causing needless anxiety on the part of relatives and friends of the personnel who survived these ac-

"Reports of casualties have since been received, and the next of kin of all personnel killed, wounded or missing in these actions have now been notified." (Turn to Page 2-B)

WASHINGTON, Jan. 11-(P)-The agriculture department an-

FR Names 8th Man to Court

Westerner Is Choice; Flynn Naming Sets Off Fireworks

WASHINGTON, Jan. 11 -(AP) Justice Wiley Blount Rutledge, ir., 48, of the District of Columbia court of appeals, a westerner who takes a liberal view of the constitutional provision that "congress shall have power to . . provide for the . . . the general supreme court Monday to succeed

James F. Byrnes. Thus President Roosevelt made his eighth appointment to the court, more than any president since Washington, but his first from the lower bench.

Rutledge's appointment was favorably received in the senate and speedy confirmation was indicated. Senator Gillette (D-Ia) commented that the appointment "recognizes a man coming" from west, of the Mississippi river, a section that has been neglected in court appointments in the recent past."

A legal resident of Iowa, Rutledge was born in Kentucky and has lived in Tennessee, Wisconsin, Indiana, New Mexico, Colorado and Missouri.

Rutledge was a high school teacher in Indiana when he was stricken with tuberculosis. On the advice of a physician he moved to Albuquerque, NM, then to Boulder, Colo., where he entered the law school of the University of Colorado. He received his degree in 1922, practiced law for a time in Boulder and then joined the university faculty there. In 1926 he went to the faculty

of Washington university, St. Louis, became dean of the law (Turn to Page 2-C)

Inquest Today On Death of M. Maurer A coroner's inquest into

death of Michael Maurer, Stayover the Willamette river Sunday. is to be held today in Dallas, District Attorney Bruce Spaulding of Polk county revealed Monday night.

Conducted by Coroner C. W. to determine cause and responsi-bility in the drowning of Maurer, for whose body search had been made since the night of Saturday, January 2, when, with Archie Cook of Woodburn and two other highway department employes

the flooding Willamette. One of the men was pulled to ers on farm mobilization day safety by use of ropes; one drift-Opponents of President Ramon
Castillo's conservative governuled to be delivered personally by

New Taxes Sought To Meet Part By RICHARD L. TURNER WASHINGTON, Jan. 11-(A) President Roosevelt told congress Monday of plans for spending \$100,000,000,000 on

fighting the war in the next fiscal year-plus \$9,000,000,000 to go for other purposes and recommended \$ 1 6,000.000,000 in new taxes or compulsory loans. Submitting his annual budget and budget message, the chief ex-ecutive outlined a "national effort of gigantic magnitude," reaching all the way from Ameri-

distant battle lines. "It reflects," he said, "the determination of civilians to 'pass the ammunition."

can homes and factories to far

Talking about the budget and taxes at a press conference, Mr. Roosevelt said one of his personal objectives was a \$25,000 limit after the payment of taxes. on all incomes. Under executive regulations, net salaries are now limited to \$25,000.

The colossal extent of the contemplated expenditures brought a collective gasp from congress, which quickly made two things clear: First that all necessary war appropriations will be quickly forthcoming, and, second, that republicans and economy minded democrats will insist upon a further reduction in non-war outlays. Tax receipts will have to be

increased by \$16,000,000,000 if they are to cover half the war budget, Mr. Roosevelt saidraised from \$33,081,245,000, the estimated net yield of the present welfare," was nominated for the law, to around \$49,000,000,000. He suggested (and congressional talk immediately centered upon) increased outright tax payments supplemented by compulsory savings, taxes to be refunded to the taxpayer after the close of the

> In addition he urged that so far as possible taxes be placed upon a "pay-as-you-go basis." He emphasized that in any event the tax program would require war-time sacrifices, saying:

"Total war in a democracy is violent conflict in which everyone (Turn to Page 2-A)

Court Denies Injunction in Labor Hearing

PORTLAND, Jan. 11-(AP)-Federal Judge James A. Fee refused Monday night to restrain the national labor relations board from \$400,000,000 for soil conservation vote was: Yes 15, no 15. Every hearing charges of unfair labor and crop adjustment payments to practices against three Kaiser farmers; \$194,000,000 for parity couver, Wash.

Thus the way was cleared for a hearing that spokesmen for miracle shipbuilder Henry J. Kaiser

with making illegal closed-shop timated that \$1,600,000,000 would The CIO charged the three yards agreements with AFL unions be- be needed by the department durfore a majority of workers had ing the first half of the 1943-44 fiscal year for lend-lease food and

The NLRB session opened before Trial Examiner Robert N. Denham of Washington, DC, on lease purchases by the departton, employe of the state highway the seventh floor of the US courtdepartment whose body was found house. Simultaneously on the 700,000,000 during the current fisnear the Southern Pacific bridge sixth floor Kaiser representatives countered with their request for a restrainer, in the district court. The Kaisers charged a majority of the labor board was prejudiced that Chairman Harry S. Millis and

Board Member Gerard Reilly had Henkle, the inquest is to be held already publicly expressed opinion that the AFL contracts violated the Wagner act. Kaiser Attorney Fletcher Rockwood pleaded for a 10-day restrainer on the ground that the hearing was not a labor-management dispute, but rather a fight

> best be passed on to the war la-bor board. An injunction, he con-WASHINGTON, Jan. 11-(49) tended, would do this. He recited the shipbuilding War Manpower Commissione achievements of the yards due Paul V. McNutt said Monday the largely to harmonious labor re-lations, which, he asserted, would rines and coast guard would be-

Waiting



their battle for the state senate presidency was noted Monday nominees, Sen. Dorothy McCullough Lee (top) and Sen. W. H. Steiwer, Neither, however showed any indication of swerying from stands they had taken n opposition to a caucus-like Mrs. Lee's case, or to drawing lots, in Mr. Steiwer's.

Farm Budget Near Billion

Record Production Of Crops Sought As War Weapon

WASHINGTON, Jan. 11.-(AP)-President Roosevelt submitted to congress Monday a budget recommendation calling for the appropriation of \$991,996,154 for the department of agriculture in the 1943-44 fiscal year, of which \$837,000,000 would be used to facilitate a program of record production of war crops.

Justifying such an appropriation, the president said:

"Food is a primary weapon of war. An adequate food supply is therefore, a basic aspect of a total war program.' To facilitate the program, recommended appropriation of

shippards in Portland and Van- payments; \$96,000,000 for exportation and domestic consumption of farm products, exclusive of lend-lease; \$64,000,000 for sugar act payments; \$38,000,000 for the say threatens labor relations in farm security administration, and war industries throughout the na- \$31,000,000 for reductions in in-

The president's budget also esother farm products; These funds would be available from separate war appropriations. Lendment are expected to total \$1, cal year.

The department's over-all bud get recommendation submitted by the president was \$991,996,154. It included \$150,749,789 for admin than last year when the depart ment's over-all appropriation to-

The 1943-44 budget also con tained a request for \$56,000,000 to further rubber plant development projects.

Drafting Scheduled

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Sprague Still Governor After 28 Tie Ballots

Inaugural Delayed; Time Not Yet Known; House **Elects McAllister Early**

By RALPH C. CURTIS

Log-jammed even more tightly than was apparent from the gallery and jamming still tighter each time the freshet was released for another ballot on the choice of their presiding officer, Oregon's 30 senators were no nearer the lawmaking mill at 9:30 o'clock Monday night when an overnight recess was taken, than they had been 11 hours earlier. Twenty eight ballots had been taken and each time the count

H. Steiwer 15. Meanwhile a fully-organized house of representatives marked time after electing Rep. William M. McAllister its speaker and wit-nessing the introduction of four bills; Governor-Elect Earl W. Snell awaited an already-overdue inaugural; Gov. Charles A. Sprague held office for an extra day; and hundreds of citizens who had come to attend the inaugural ceremonies had to content themselves with a less colorful "show! which however was much superior in the matter of dramatic sus-

was: Sen. Dorothy Lee 15, Sen. W.

Time of the inaugural still was anybody's guess, though the house of representatives had passed a concurrent resolution providing for a joint session for the purpose, at 10 a. m. today. It still must be passed by the senate — and technically, there Red-faced in their

of a public reaction put words by Sen. W. E. Burke "laughing-stock of the state" senators tried, or proposed, several devices whereby the deadlock might be broken. Early Monday afternoon, after the 12th ballot, Sen. Steiwer orally "released" his pledges but explained he still was a candidate; they continued to vote for him. Two ballots later Sen. Lee did likewise. No change.

After the 22nd ballot, veteran Sen. W. H. Strayer, temporary chairman, suggested that in order to hold the inaugural, some member be elected president with the understanding that he would resign immediately after the inaugadopted by a 16-14 vote, but it Guinea. ran into snags when Strayer and Allied ground forces Monday then Sen. William E. Walsh de- closed in further on Japanese enclined nomination for the "pro- veloped in the Sanananda corritem" election. Recess until 7:30 at dor, which extends about a mile night was taken after the 23rd and a half inland from the Paru-

At the night session Sen. Lee offered, following a caucus of her backers, to settle the entire mat- captured a quantity of rifles. ter by drawing lots. On a motion to recess for that purpose, the vote was: Yes 15, no 15. Every senator supporting Sen. Lee voted Coal Industry for the motion, every Steiwer adherent opposed it.

deadlock seem even more hopeless than was apparent from the gallery was that no member of the Lee group - the opposition claimed - would attend any sort of conference with any of the Steiwer faction. This apparently prevented any discussion likely to prove fruitful, on the subject of a "dark horse" compromise candidate. But no one on either side was willing to talk for publication on that possibility.

The member most frequently mentioned in off-the-record discussion of a possible compromise was Sen. Howard C. Belton. On the first ballot as on the 28th and at all times in between this was the lineup, with the two

For Lee: Best, Booth, Burke, Chesman, Ellis, Fisher, Lynch, McKenna, Parkinson, Patterson, Steiwer, Strayer, Walsh, Wheeler,

For Steiwer: Belton, Carson, Cornett, Gibson, Jones, Kauffman, Lamport, Lee, Mahoney, Newbry, Rand, Stadelman, Walk-

er, Wallace, Zurcher.
Sen. Steiwer had been nomi-nated by Sen. C. H. Zurcher; Sen. Lee by Sen. H. C. Wheeler.

Red Cross Goal Set

Aussie Planes Torpedo Ship

US Forces Advance In Guadalcanal. Cut Burma Japs

ALLIED HEADQUARTERS IN USTRALIA, Tuesday, Jan. 12.-(AP) Australian airmen scored their first torpedo hit in the southwest Pacific area last Saturday and apparently blasted another Japanese warship-a light

from the ocean. Smoke had enveloped the vessel when the Beaufort bombers participating in the attack left the

The next morning re anse planes returned to the are but close search failed to disclose any trace of enemy warships. The attack took place off Gas-

mata on the south coast of New Britain. "A hit was scored, causing a heavy explosion amidships, enveloping the vessel in smoke," the communique said. "The ship was not visible at daybreak and is be-

lieved to have sunk during the night." The noon communique, which reported the probable sinking, mentioned other than reconnaisance activity in the northwest sector for the first time in

several days. "Our medium units bombed the jetty at Dobo," the communique said. Dobo is on Aru island, off ural. This suggestion was, in fact, the southwest coast of New

an coast.

Flanking-Japanese positions on the west, strong allied patrols (Turn to Page 2-B)

The circumstance making the Asks Return Of Strikers

NEW YORK, Jan. 11-(/P)-The anthracite coal industry's governing committee of 12 members, representing equally the United Mine Workers of America and the mine operators, Monday night called upon all striking coal miners in Pennysylvania to return to their jobs immediately.

In a telegram which the committee dispatched to all union committee members stressed the need for maximum production of coal during the war emergency. The committee also advis solid fuels coordinator Harold

candidates according each other Ickes of their action. Thomas Kennedy, UMWA in-ternational secretary - treasurer, said he was "hopeful" that this action would bring results in the Wilkes - Barre - Scraton areas (Turn to Page 2-G)

egislative News

First of a series of legislative ews broadcasts over radio sta-on ESLM is scheduled for 7:15 clock tenight as a Joint p service on the part of the rat on and The Oregon Sta