

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

Thursday sunset 6 p. m. Friday sunrise 8:44 a. m. Weather: Tues. max. temp. 33, min. 21. Thur. river 2.9 ft. Weather data restricted by army request.

NINETY-SECOND YEAR

Cold Due Here Again; Freeze Strikes Midwest

Surplus on Tax Great Problem For Legislature

Added Income Seen Balance to Federal Deductions in '42

By RALPH C. CURTIS Total revenue from Oregon's state income tax will not be substantially less in 1943, under existing rates, than the \$13,800,000 collected in 1942.

Oregon's lawmakers and particularly taxation committee members already have encountered the need for "education" in tax matters—and the possible fact that they have heretofore been well informed is of no great help.

That the surplus will not evaporate due to federal income tax deductions is the first lesson. It is true that an individual whose income in 1942 was the same as in 1941 will pay less state income tax in 1943 than in 1942, and Gov. Snell's estimate that the reduction will amount to 15 percent truly was, as he insisted, conservative.

But—in the aggregate, incomes in Oregon in 1942 were greater, by considerably more than 15 percent, than in 1941. How much greater, and to what extent the increases will be reflected in tax payments if the legislature does not revise the rates, cannot be stated accurately.

The state unemployment compensation commission reported that the "covered" payroll—which does not include all wages and salaries paid in Oregon, not to mention income from other sources—amounted for the year 1941 to \$355,000,000. That was a gain from \$216,000,000 in 1940.

But for the 12-months period ending September 30, 1942, they amounted to approximately \$500,000,000. That is a 40 percent increase. For the full year 1942 the total almost certainly was still higher.

Chain Stores Are Charged

KANSAS CITY, Kan., Jan. 20 (AP)—The federal government brought two more of the country's big food store chain organizations—Safeway and Kroger—under indictment Wednesday on charges of violating the Sherman anti-trust law, charges promptly denied by officials of the two companies.

In separate indictments a federal grand jury in the court of Judge Richard J. Hopkins alleged that Safeway Stores, Inc., and a group of its subsidiary organizations and officers and the Kroger Grocery and Bakery company and its subsidiaries and officers each conspired to restrain and monopolize trade.

L. A. Warren, Oakland, Calif., president of Safeway, and C. M. Robertson, Cincinnati, president of Kroger, issued prompt denials. "Safeway has in no way violated any anti-trust laws unless being efficient and rendering a low-cost service to producers and consumers has become a crime," said Warren.

Strike Hearing Set

LEBANON, Jan. 20—Issues in a strike which closed the Evans Products company plant here for five days recently will be presented at a hearing before a west coast lumber commission referred in Portland Friday.

Oregon Roads Ice-Coated; Snow Coming

PORTLAND, Ore., Jan. 20 (AP)—The weather bureau warned Wednesday night that all highways out of Portland were a sheet of ice as a new cold wave struck the entire state.

Snow blanketed the Salem area early this morning. It was the first of this winter to "stick."

State Guard's Life Extended

Bill Signed Last Day; Post-War Committee Measure Readied

Gov. Earl W. Snell signed Wednesday afternoon the bill extending legal existence of the state guard, enlistments in which might have expired today if the measure had not become law.

Gov. Snell's bill proposing creation of a 15-man committee on post-war readjustments and development was ready for introduction. Problems of returning service men's employment and development of the state's resources are to be undertaken by the committee.

Members of the committee would be Sen. Angus Gibson, Junction City, chairman of the senate ways and means committee; Rep. Carl Engdahl, Pendleton, chairman of the house ways and means committee; State Budget Director George Aiken, State Forester N. S. Rogers, State Director of Agriculture J. D. Mickle, State Director of Geology and Mineral Industries Earl K. Nixon, State Highway Engineer E. H. Baldock, a representative of the University of Oregon school of economics or business administration, a representative of the Oregon State college engineering school, and six members to be appointed by the governor.

Chile Breaks With Axis; Brazil Ready

SANTIAGO, Chile, Jan. 20 (AP)—Chile severed relations with the axis powers Wednesday, and President Juan Antonio Rios told his people in a broadcast Wednesday night that it was a step toward continental solidarity and in defense of democracy.

New Yorktown To Be Launched

NEWPORT NEWS, Va., Jan. 20 (AP)—Another Yorktown, to replace the gallant aircraft carrier sunk by the Japanese last June in the battle of Midway, will go down the ways into the James river Thursday afternoon at the Newport News Shipbuilding and Dry Dock company plant.

32 Below Zero East; Plants, Schools Close

Canada Short of Coal; Weather Shuts Down Boeing at Seattle

Chicagoans donned their heaviest coats, ear muffs and overshoes as the thermometer registered 13 below, the lowest of the winter and an all-time mark for the date.

Schools were closed in many parts of Illinois, but they remained open in Chicago on the theory that the children who live in poorly heated homes would be better off in their class rooms.

SAN FRANCISCO, Jan. 20—Storm warnings were ordered continued along the California coast from the Oregon line south to Point Sur because of winds of gale force Wednesday night and Thursday.

Some temperatures recorded by the weather bureau were Garrison, ND, -31; Glasgow, Mont., -26; Lemmon, SD, -25; Valentine, Neb., -22; La Crosse, Wis., -20; South Bend, Ind., -22; Battle Creek, Mich., and Spencer, Iowa, -15; Rockford, Ill., -13.

WINNIPEG, Man., Jan. 20 (AP)—A cold wave, with temperatures reaching the lowest of the winter, continued across western Canada Wednesday. From the prairie provinces came reports of Arctic weather.

Prince Albert, in northern Saskatchewan, held the low point for the night, it was 54 at Saskatoon, and 52 at Edmonton, equalling the Alberta capital's all-time low of January 13, 1911.

The Pas, 500 miles north of here, reported 50 below and in Winnipeg it was 41. In 1936, the mercury dropped to a record low of 53 in Winnipeg.

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SANTIAGO, Chile, Jan. 20 (AP)—Chile severed relations with the axis powers Wednesday, and President Juan Antonio Rios told his people in a broadcast Wednesday night that it was a step toward continental solidarity and in defense of democracy.

Rios explained the rupture with Germany, Japan and Italy in a half hour address from the government palace.

The Chilean senate approved Tuesday night by a 30-to-10 vote, and Rios afterward signed the decree to oust axis diplomats. A roundup of all axis nationals was quickly begun.

Wednesday night Rios gave Chileans the full explanation of his decision, reached long after the original popular protest against axis attacks on Chilean shipping had subsided.

Foreign Minister Joaquin Fernandez called in the American diplomatic corps to make the announcement.

Water Pure Now WEST SALEM, Jan. 20—City Recorder Robert E. Pattison of West Salem has announced that further tests of the city water tanks have found them pure. Residents may use water now without boiling it, he stated Wednesday.

Russians Close In On Cities

Kharkov, Rostov and Salsk Threatened By Soviet Noose

MOSCOW, Jan. 20 (AP)—The red army, driving deeply into the Ukraine, gained 17 miles in the sweep toward Kharkov, and farther south reached a point only 45 miles above Voroshilovgrad, Donets river industrial center, a special communique announced Wednesday night.

The Russians now have rolled back the Germans to an area where the resilient red army itself had retreated last summer when the big Nazi drive began.

The midnight Soviet communique heard by the Soviet Monitor in London said the Russians had captured Mityakinskaya, only 22 air line miles east of Voroshilovgrad, a junction on a network of railways that winds down to Rostov. Thus the Russians not only were closing in on the important Nazi base of Rostov from three sides, but might aim to sweep around it to anchor their flying columns on the sea of Azov behind it.

In the Caucasus the Russians now were near Salsk, big rail junction 100 miles below Rostov. (British military observers said the Russians in two months had rendered ineffective a total of 89 Axis divisions, representing the demoralization of some 1,335,000 enemy troops if they were at full divisional strength.)

The southern arm of the Russian sweep toward Kharkov captured Byelokurakina, 115 miles southeast of the big industrial center. A northern army is fighting within 70 miles of the city from the east.

Byelokurakina was taken by Soviet troops advancing 17 miles from Novo-Pakov. Farther south another column took Byelovodsk, 45 miles above Voroshilovgrad. (Turn to Page 2—A)

Hendricks Funeral Today

Funeral services for R. J. Hendricks, for many years editor and publisher and since 1928 editor emeritus of The Statesman, are to be held at 10:30 this morning from Clough-Barrick chapel, Bishop Bruce Baxter of the Methodist church officiating.

To allow fellow-workers at The Statesman office to attend services and in tribute to the man who had been connected with the paper for a longer period of time than had any other, Oregon Statesman offices will be closed from 10:15 to 11:15 this morning.

Honorary pallbearers are to be Paul B. Wallace, A. N. Bush, Dr. H. H. Olinger, E. T. Barnes, Ray Yocom, Charles A. Sprague, George Rutnam, Ralph Glover and Ralph Kietzing.

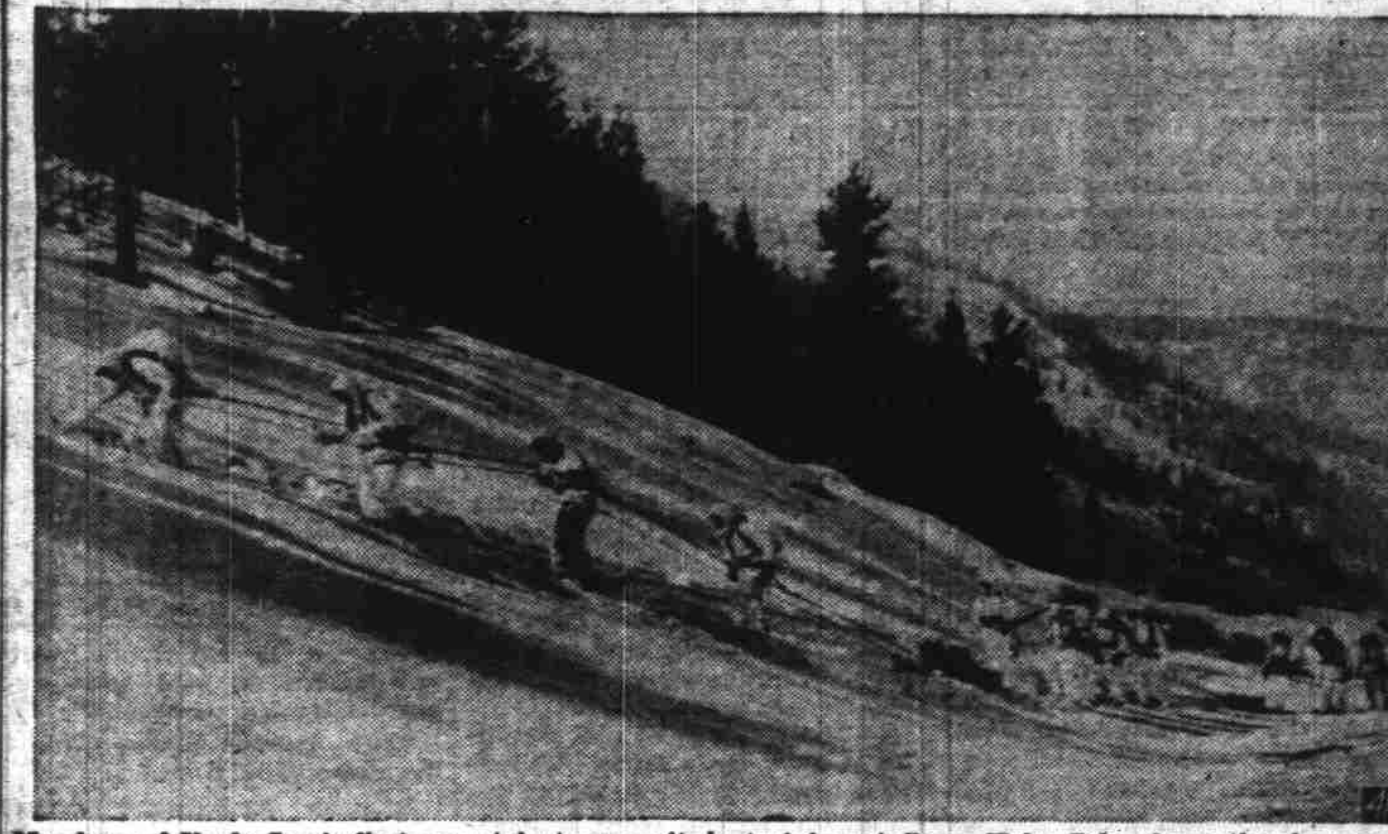
Lowell E. Kern, Ralph C. Curtis, Arthur Edwards, Carl Abrams, Stephen A. Stone and John (Turn to Page 2—G)

Lobby Hobnobber

"It will be a short session," one veteran observer remarked. "Things are so quiet for the lobbyists that they're mooching off each other."

No question about it, the lobby is quiet—almost deserted, in sharp contrast to the old days when the rotunda in the old capitol always was crowded at session time and there frequently was "standing room only" in the microscopic galleries.

Cold -- but Not Like This in Salem



Members of Uncle Sam's first mountain troop unit, in training at Camp Hale, Colo., for action in mountainous country anywhere in the world under any conditions of weather or terrain, learn that at times they have to substitute for draft animals. Here white-clad troops step into harness to haul heavy equipment up the mountainside while carrying full packs and walking on snowshoes.—Associated Press Telegram.

Jungle Troops Move Rapidly

Japs Compressed on Guinea; Airmen Raid Heavily

ALLIED HEADQUARTERS IN AUSTRALIA, Thursday, Jan. 21 (AP)—Allied jungle fighters, moving so fast they didn't have time to count the enemy dead, further compressed Japanese pockets around Sanananda point in New Guinea while allied bombers attacked 10 points embracing practically the whole south-Pacific area Tuesday and Wednesday.

"The whole thing is crumbling," said a spokesman at Gen. Douglas MacArthur's headquarters concerning the Papuan ground resisting of the Japs.

An enemy pocket northwest of the point where the Sanananda road reaches the beach still is resisting and there is heavy fighting on the other side of the point between Giruwa and Tarakena where the Japanese attempted to break out.

Two other enemy groups still are showing some fight along the inland road. One about 2500 yards inland has been split up. The bombers made their strongest call at Lae, starting new fires among supply installations.

On the aerial war front, these achievements were listed: The jetty at Debo in the Aroe islands was raided and one of three Jap float planes which attempted to intercept probably was damaged. At Ambon in the same sector, a Jap fighter was shot down by a bomber.

Jap localities at Lautem in Portuguese Timor were bombed and near Juiforo one of five Jap fighters trying to intercept was damaged.

Along the coast of the Willamette peninsula in New Britain, three barges were strafed and these had to be beached. Also in New Britain, the Gasmeta air-drome, a much-bombed target, was raided, and gun positions were hit at the Cape Gloucester air-drome.

In New Guinea, the Madang air-drome and wharf were bombed. (Turn to Page 2—C)

Axis Agrees, Economic Aid

A Berlin radio broadcast recorded by the Associated Press Wednesday night said that Germany, Japan and Italy had signed an economic cooperation pact Wednesday to utilize, "each in his own economic sphere," their resources for "totalitarian warfare against common enemies," and also as the basis for permanent collaboration "after a victorious termination of the war."

The agreement to run concurrently with the 10-year military assistance pact of September 27, 1940, was signed at Adolf Hitler's headquarters by Nazi Foreign Minister Joachim Von Ribbentrop and the Japanese ambassador, Hiroshi Oshima, the broadcast said.

An identical pact was signed in Rome by Italian Foreign Minister Count Galeazzo Ciano and the Japanese charge d'affaires, Shunichi Kase. (Turn to page 2—J)

Navy to Release Casualties Daily

WASHINGTON, Jan. 20 (AP)—The navy announced Wednesday effective immediately all casualties of the navy, marine corps and coast guard would be announced in a daily list instead of in periodical accumulations as heretofore.

The first daily list, containing the names of 14 men killed, 15 wounded and 43 missing, was made public Wednesday. The navy will continue to follow the policy of notifying next of kin before making the names public. None were of Oregon men.

Salem Nurse Is Stabbed; 2 Suspected

Two suspects in the Salem stabbing of a nurse were under surveillance by city police early this morning as officers waited for Mrs. Dale Moon, 21, to regain consciousness following remedial surgery at Salem General hospital before making any arrest.

Both men were said to answer descriptions given by Mrs. Moon 15 minutes after she had been accosted, threatened and stabbed in the abdomen at 9:05 p. m. as she stood waiting for a city street bus near the Center street gate lights at the General hospital, where she had been on special duty.

Mrs. Moon, Woodburn resident, declared to the investigating officer that she had obtained a clear view of the man who stepped out of the darkness, knife in hand, telling her he would stab her if she refused to do his will. She slapped him, she said, and he stepped back before lunging at her with the knife.

The wound, between stomach and intestines, was straight and clean in appearance, made by a double-edged knife, it was believed. Mrs. Moon was able to run back to the hospital, where investigation revealed that more than emergency care would be required. Depth of the wound was not known to them, police said.

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German Planes Bomb London

At Least 30 Killed In School; City Has Night Alarms

LONDON, Jan. 20 (AP)—German rooftop raiders killed at least 30 school children and buried 30 to 60 more and three teachers beyond hope of life under tons of debris in a swift but relatively small-scale attack on London at night Wednesday. It was the worst blow suffered by London schools since the blitz attacks began.

Only six raiders eluded London's defenses, and the school, in the heart of a residential section, was smashed into rubble.

There wasn't a chance that the children and teachers buried in the ruins were alive, for they had been chattering gaily at luncheon on the first floor, but 200 rescue workers kept digging for them.

Only 11 children and one teacher in the building emerged alive. Sixty bodies of children from six to 14 years of age had been recovered.

The known victims besides the children in the one building were 10 children and six women. In southern England, where the raiders also delivered destruction, one elderly man died of shock in a southeast coastal town where 40 to 60 planes appeared in two waves, but dropped no bombs.

Most Miners Vote to Work Again Today

WILKES-BARRE, Pa., Jan. 20 (AP)—Stomping, shouting miners launched a new back-to-work movement in Pennsylvania's strike-bound hard coal fields Wednesday night.

Cries of "back to work, boys" rang through union halls as nearly three thousand workers voted to comply with President Roosevelt's order that they end their three-week-old unauthorized walkout by noon Thursday.

Throwing parliamentary order to the winds, the 1800 employees of the Lehigh Valley Coal company's Prospect-Henry Colliery didn't even bother to take a formal vote. In a five-minute session they yelled unanimous approval when one worker called out: "What do we want a meeting for? Let's go back to work!"

They were the first to make such a decision since Mr. Roosevelt issued the order. (Turn to Page 2—F)

Rotary Nominates CHICAGO, Jan. 20 (AP)—Charles L. Wheeler of San Francisco was nominated Wednesday for president of Rotary International for 1943-44. His selection by the nominating committee will place him in the presidency nominally on July 1 if no other nomination is received from a member club before April 1.

Advance Hurries Rommel

Allied Navies Sink 14 Axis Vessels In Three Days

LONDON, Jan. 20 (AP)—The Fighting French swarming northward from equatorial Africa have joined forces with the British Eighth army closing on Tripoli, it was announced Wednesday night, while the British reported sinking 14 axis vessels in the Mediterranean in the first three days of this week.

These French troops swept up from the Lake Chad area over deserts and mountains, conquering the Italian Fezzan, and now "are continuing their advance northward and have established contact with the British Eighth army," a communique from Brig. Gen. Le Clerc's headquarters announced.

"These forces are brilliantly taking part with their British allies in the advance on Tripoli. They are attacking on the left of the Eighth army moving northward," said the war bulletin broadcast by the Fighting French at Brazzaville.

The juncture was announced shortly after the British had reported sinking 14 Axis ships in the central Mediterranean in the first three days of this week, and as twin British columns pounded toward Tripoli. "We reported within 40 to 60 miles of the bombarded capital of Mussolini's vanishing Libyan empire."

The new thrust from this French thrust increased the probability that Field Marshal Erwin Rommel would fight only a delaying action at Tripoli, instead of making a final stand there.

The French column had moved up under Col. Ingold, the field commander under Leclerc. Its new advance was announced by the authoritative French radio station at Brazzaville, and not the "radio Brazzaville" used as a cloak by an Axis broadcasting station.

A triumphant communique by the admiralty Wednesday night disclosed that a pack of destroyers, six British and one Greek, sank these vessels on Sunday, Monday and Tuesday nights without damage or loss:

A 3000-ton supply ship, apparently carrying ammunition which blew up south of Sardinia. A motor launch, also off Tunisia. A small naval vessel carrying gasoline to the island of Lamposus.

Further, a British submarine chased an enemy supply ship for five hours and sent her down off the Tunisian coast. This same submarine also drove ashore two small supply ships, both burning. The destruction of these ships swept Mussolini's "mare nostrum" virtually clean from the Tunisian coast to Sardinia as the Eighth army steadily drew nearer to Tripoli.

The navy has announced the destruction of 23 surface craft in the central Mediterranean since the first of the year. The absence of opposition at sea was taken here to indicate there was little probability of the Axis attempting to evacuate its forces from Tripolitania and Tunisia. Thus these would be squeezed between the advancing Eighth army and the Allied forces in Tunisia.

A broadcast of the Morocco radio recorded here said that part of Nazi Marshal Erwin Rommel's retreating forces already is well to the west of Tripoli and moving rapidly toward the Tunisian frontier.

To the northwest, in Tunisia, the Axis tank forces pushed forward seven miles into French-held positions southwest of Pont du Fahs in an apparent move to take some of the pressure off Marshal Rommel's route of retreat from Tripolitania.

Gen. Sir Bernard L. Montgomery's troops advanced more than 25 miles along the coastal road to the Homs area, 60 miles east of Tripoli, while a companion spearhead of the Eighth army swept in on Tarhuna, 40 miles from Tripoli.