

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

Thursday sunset 6:30 p.m. Friday sunrise 6:19 a.m. Weather: Tues. max. temp. 43, min. 34. Wed. river 12.5 ft. Weather data restricted by army request.

Russians Close In on Ukraine Steel Center

Welfare Change In House

Boards May Be Cut; Wine Bill Defeated; Milk Move Passes

By RALPH C. CURTIS The Oregon house of representatives faces today a vote on the explosive issue of reducing county welfare commissions' personnel from the present seven, to three—eliminating the four appointed by the governor. The bill, one of a group introduced by Rep. J. D. Perry, Columbia, would make the welfare commission identical in composition with the county court.

Two others of the seven public welfare bills which Perry introduced in one group also are up for third reading today. One would eliminate the requirement that grants of assistance shall be sub-

ject to approval by the state welfare commission; the other deals with reconsideration of such grants.

All three came out of the house public welfare and unemployment committees with "do pass" recommendations, but the committee vote on the one eliminating appointed members was not unanimous and opposition is anticipated, the belief being widely held that county judges and commissioners, subject to political pressure, should not be the sole judges of assistance requests.

Thus today might fittingly be denominated "public welfare" day in the house, just as Wednesday was "liquid refreshments" day in the senate.

Defeat of Rep. H. R. Jones' wine-over-the-bar bill was Wednesday's highlight, the paucity of its support in the senate the day's major surprise. The bill was buried under a 24-to-4 adverse vote, those supporting it being Sens. Fred Lamport, Thomas Parkinson, Rex Ellis and Thomas R. Mahoney—the last-mentioned changing his vote to "aye" after the roll-call.

Sen. Lamport, disclaiming any desire to let the bars down on liquor control and mentioning that he personally favored a ban on fortified wines, bespoke support of this measure as one designed to assist Oregon berry and fruit growers. He said it had the backing of all berry growers' co-operators in Marion county. He also contended that on a price basis, wine was less intoxicating than beer, and that in Washington and California where natural wines are sold by the drink, there is less insanity from use of fortified wines than in Oregon.

Sen. P. J. Stadelman, Wasco, described the bill as a step toward the "open saloon." He said he had received 71 letters opposing it, only 11 in its support; that Columbia river fruit growers opposed it, that it would discriminate against Oregon grape producers, and that wine was blamed for 90 per cent of the drunkenness encountered by Washington state police.

The senate unanimously approved transfer of milk control to the state agriculture department, but in the house an identical bill was re-referred to committee after Rep. John Steelhammer, Marion, bitterly assailed the haste with which the measure had been brought out for third reading. He said that though it was labeled a food and dairy products committee bill, some members of the committee never had heard of it.

Later Steelhammer, who has a milk control repeal bill in the same committee, said he would substitute one providing that milk control be suspended "for the duration" and until six months after peace is restored. In the course of senate debate on the transfer bill approved there, Sen. Mahoney likewise objected to its consideration ahead of his outright repeal bill.

Five Days Corn Diet Gets Boot

WASHINGTON, Feb. 10—(AP) Unlabeled cans of food such as those that resulted in marines on Guadalcanal eating canned corn for five successive days no longer will harass mess sergeants, the navy reported Wednesday.

Labels on the cans at Guadalcanal were washed off in the surf during landing operations, every time the cooks pulled out a can—corn.

Now, the navy says, the type of food is embossed or printed directly on the can.

Grange Urges Pay-As-Go Tax

Witness Opposes Paying Over One Year at a Time

WASHINGTON, Feb. 10—(AP) Fred Breckman, representing the national grange, Wednesday urged quick adoption of a pay-as-you-go income tax system, but emphatically opposed "paying more than one year's income taxes at a time."

"I shall not speak specifically for the Ruml plan," he told the house ways and means committee. "Any sound and workable plan which permits the taxpayer to pay his tax in the year his income is earned will be satisfactory to us."

"We oppose paying more than one year's income taxes at a time," Beardsley Ruml, chairman of the Federal Reserve bank of New York, has proposed that the 1942 tax year be by-passed in attaining a current tax collection system.

Several of the 25 committee members, including Chairman Doughton (D-NC), renewed their opposition to wiping out all of last year's tax obligations.

When Kenneth C. Richmond, chairman of the taxation committee of the National Retail Dry Goods association, endorsed the principle of "setting the tax clock forward one year" as advocated by Ruml, Doughton interposed: "I don't think the taxpayers of this country want to hop, skip or

Nazi Troops Rush Coast Defenses

STOCKHOLM, Feb. 10—(AP) German troops have taken up defensive positions in fortified areas of western Europe because their military leadership expects a large-scale Anglo-American action in the coming months, the Berlin correspondent of the Dagens Nyheter said Wednesday, quoting "well-informed German sources."

"It is evident the allies will try an invasion as soon as possible before the Russian offensive loses momentum," the correspondent quoted them as saying.

He added that "it shouldn't be surprising if the invasion occurs at points where the biggest German U-boat bases are situated on the Atlantic coast."

Contracts Hit By Order

Under 48-Hour Week Revoked in Areas Despite Agreement

By CHARLES MOLONY WASHINGTON, Feb. 10—(AP) The war manpower commission announced Wednesday night that the 48-hour minimum work week order revokes in the areas affected any labor contract provisions which call for a shorter working period.

In a statement clarifying the effect of President Roosevelt's order, which it is charged with enforcing, the WMC also said: Payment of time and one-half overtime compensation for work over 48 hours a week will not be required for some workers. These include farm workers, domestic servants and others for whom such compensation is not provided by wage-hour laws or individual or collective bargaining agreements.

A "few industries" may be put under terms of the order on an industry-wide rather than an area basis where plants in areas not affected by the order would gain a competitive advantage in labor costs over plants in affected areas.

"Some" hazardous occupations or industry may be exempted. While the office of price administration will determine if price ceilings should be lifted to cover increases in labor costs resulting from the order, "it is unlikely that increased labor cost will add more than a small fraction to the cost of production."

State and local governments should adopt the 48-hour week unless their hours of work are fixed by state or local laws. The order will not apply to establishments, such as bars in many states, whose hours are limited by state law.

When employers or workers contend the 48-hour week is "impossible" for them, the WMC "will investigate and make exceptions or exemptions so as to make possible the fullest possible contribution to the war."

In deciding such cases, the WMC will bear in mind that "the purpose of the order is to release workers for war and essential jobs. Mere increase of hours that will not result in this was not intended."

The official statement confirmed assertions made earlier and anonymously by a WMC official (Turn to Page 2—Story E)

Dies' Probe Wins 2-Year Extension

WASHINGTON, Feb. 10—(AP) The house committee on un-American activities won a two-year extension of its life Wednesday by a vote of 302 to 94.

Immediately after the house vote, Chairman Dies (D-Tex) said the group would "continue to exercise the vigilance it has exercised in the past to protect the American form of government against subversive elements."

The 94 "No" votes represented the largest opposition ever recorded against the committee. Opponents, including Reps. Rogers (D-Calif.), son of the late Will Rogers, and Voorhis (D-Calif.), a member of the committee, based their opposition on the contention the Dies group had promoted disunity and lacked tolerance. Voorhis requested that he not be retained on the committee because he could not agree with committee policies.

These Supplies Got There in Time



Supplies for United States forces fighting on Guadalcanal in the Solomon Islands are landed on one of the beaches without much opposition by the Japanese. The enemy has now been eliminated from the island, following repeated attempts to reinforce its defenders. Part of the convoy can be seen in the background.—IIN Photo.

PGE Turns Down State's Allied Attack Power Counter-Offer; Scott Hints 'Hold-Back'

Six months of negotiation between the state board of control and Portland General Electric company over a new contract for supplying state buildings and institutions with electric power appeared at an unsuccessful end Wednesday when the PGE board of directors announced in Portland its rejection of the state's last counter-offer.

Meanwhile paying the old rate of 11.5 mills per kilowatt hour for its power, a majority of the board has been persistently demanding a 7.5-mill contract or an 8-mill running account rate.

State Treas. Leslie M. Scott Wednesday night, said he could not speak for the other two control board members but suggested that the state's next move might be to pay at only the eight-mill rate and let the power company see what it could do to collect any more.

Purchase of Bonneville power was discussed by the board of control early in the negotiations. The private power company then conducted a survey in what it said was an effort to determine what would be the cost to the state of buying Bonneville electricity and supplying state institutions over state-constructed distribution lines. On this basis, the company offered to supply the power for 9.65 mills.

Ensnuing negotiations resulted in an offer from the company, its final offer on the basis of Wednesday's decision, to supply power at 8.5 mills under a five-year contract carrying a one-year cancellation clause effective after the war.

The 8.5-mill offer was rejected by the state board late last month. The PGE board declared by resolution Wednesday that the representatives of the company "have offered the lowest rate which under any theory of approach could possibly be calculated" and one that "embodies the lowest rate structure which is company is able to offer."

House Passes Wire Merger

WASHINGTON, Feb. 10—(AP) An eight-year-old recommendation of the federal communications commission moved nearer fulfillment Wednesday when the house passed a bill authorizing a merger of the Western Union and Postal Telegraph companies.

The measure, approved by a standing vote of 201 to 56, was a substitute for one passed by the senate last month and was returned to that branch. The FCC proposed amendment of the communications act in January, 1935, to provide for permissive consolidation of telegraph companies. The senate passed a merger bill last year, but it died when the house did not act. Wednesday's action appeared to make final passage of some bill certain.

British Sub Lost

LONDON, Feb. 10—(AP)—The admiralty announced Wednesday night that the submarine P48 was overdue and presumed lost. The vessel was one of a class of submarines started since the war began. Its details are secret.

Nazis Said Leaving Kharkov; Caucasus Rail Points Taken

Heavy Booty Fall To Soviets as Nazis Haste

By EDDY GILMORE MOSCOW, Feb. 10—(AP)—The red army's arc of assault on Kharkov, most important Nazi communications hub in the entire region east of the Dnieper, closed in Wednesday with the capture of Chuguyev, only 22 miles southeast of the threatened city, and the occupation of Volchansk, only 36 miles to the northeast.

The fall of these two railroad towns was announced in a special communique as the Russian

LONDON, Thursday, Feb. 11 (AP)—The Stockholm correspondent of the Daily Express reported Thursday that the Germans were evacuating Kharkov, and said that Berlin had declared that the "Russians are increasing their pressure considerably with the obvious intention of encircling Kharkov."

The city is being shelled heavily, and there are indications the Russians are much nearer than officially reported, perhaps only six to ten miles away, the correspondent said, without giving the source of his information.

forces bounded toward the great prize with the same apparent momentum that had toppled two other huge German winter defense centers in the last 72 hours.

Fall of Chuguyev on the direct Kharkov railway to Kupyansk, which the Russians already had captured, put into Russian hands the last city which had locked the southeastern approaches to Kharkov on the western bank of the northern Donets and provided the red army with an excellent base for a final drive on Kharkov itself.

The steel city of the Ukraine was now within reach of deadly long-range Russian cannon which everywhere was accompanying the fast-moving soviet infantry, tanks and ski troops.

(The possibility that the Russians had moved even closer to Kharkov directly to the east was indicated in the regular red army communique recorded in London by the soviet monitor. This communique announced also the capture of the district center of "Pechenigi." This may be the town of Peshchenyia which is only 18 miles east of Kharkov.

(The occupation of Byell-Kolodez, 10 miles south of Volchansk on the Kursk-Kupyansk railway, also was reported.

(South of Rostov, the communique announced the capture of Akhtari, Sea of Azov terminal of the railroad from Krasnodar.

(This closed one of the two coastal railway terminals available for evacuation of German troops from Krasnodar in the Caucasus, and the communique declared: "The coast of the Sea of Azov, from the mouth of the river Don to Akhtari, has been completely cleared of the enemy."

(Akhtari is only about 60 miles from Temyrck on the Taman peninsula, the broken land bridge toward the Crimea. The town is about 110 miles southwest of Rostov and 80 miles northwest of Krasnodar.

(In all sectors, the regular communique said, the Russians captured large quantities of booty, indicating that the nazis were abandoning their positions in haste.

(On Rostov itself the Russians increased the pressure enormously by slicing the railway less than 18 miles northeast of the city despite most stubborn resistance, the communique reported.

(With the city already shelled by soviet artillery and menaced by large forces which had driven to the river's south bank directly across from the city's streets, the Russians said they had cut the railway between Rostov and Novochebarkassk, 17 miles to the northeast.)

In the Kharkov sector the capture of Volchansk greatly strengthened the Russian flank in the drive from the northeast upon the Ukraine center.

M'Arthur Calls Mikado Liar; Japs Pushed

Force Destroyed; Artillery Batters Enemy Retreat

ALLIED HEADQUARTERS IN AUSTRALIA, Thursday, Feb. 11 (AP)—Gen. Douglas MacArthur's communique Thursday virtually called Japan's Mikado a liar, saying Gen. Tomotari Horii and his army did not evacuate the Buna area of New Guinea at the end of January as the Japanese claimed but "perished."

This pointed commentary was included along with the announcement of a fresh allied ground victory on the approaches to Salamaua and Lae, the next Jap bases of importance since the victory at Buna sealed triumph for the allies in the Papuan peninsula. The communique announced that the main Jap force has been encountered in the Wau area, some 35 miles southwest of Salamaua, and forced back for six miles, after which our artillery continued to pour it on the retreating enemy. The communique's blunt giving (Turn to Page 2—Story A)

Nazi Fighters Strafe Towns In Britain

LONDON, Feb. 10—(AP)—In the widest-spread raids since the Battle of Britain, German planes, believed to include a new type fighter-bomber, bombed and machine-gunned 20 towns Wednesday, hitting a school, churches, houses, stores and a restaurant and killing a number of persons and injuring many others.

It was a raid carried out in the latest German fashion—the biggest buildings in sight were made the targets as they came within view of the speeding planes. Despite the wide area covered, the enemy force was believed not to have exceeded ten planes, three of which were destroyed.

Meanwhile, the RAF was pounding railroad yards at Caen, France.

The attacking planes were believed to have included a new type described only Wednesday by the ministry of aircraft production, a heavily-armed Messerschmitt, the ME 201A-1, which carried 2,200 pounds of bombs and can be employed as a long-range fighter, dive-bomber or ground-strafer. It is a fast ship carrying a crew of two.

10 on River Boat Missing

PORTLAND, Feb. 11—(AP) Ten persons were missing early Thursday morning after the 50-foot tugboat May, operated by the Russell Towboat and Moorage company, capsized near the Oregon shore of the Columbia river shortly after midnight.

The boat was carrying a crew of three and 16 workers to the Kaiser Vancouver shipyard.

Capt. Earl Stanley of the Multnomah county sheriff's office said all of the rescued persons were from Portland except one from Gresham. No list was available of the missing.

Clarence Harvey, the tugboat pilot, who was rescued, said the craft suddenly began lifting and turned over. It rode upside down until it was grounded on a bar in midriver.

Pool to Command

CAPTOWN, Union of South Africa, Feb. 10—(AP)—Maj.-Gen. W. H. Evered Poole, 41, Wednesday was appointed commander of the First South African armored division, succeeding the late Gen. Daniel Pienaar, who was killed in an airplane crash.

Channel Cannon Exchange Fire

ON THE SOUTHEAST COAST OF ENGLAND, Feb. 10—(AP)—Big guns on both sides of the Dover strait engaged in a fierce bombardment Wednesday night with the British opening fire about 9 p. m. and the Germans answering almost immediately.

Shellfire warnings sounded in the Dover area shortly before some shells fell in the vicinity.

The shelling ceased after 45 minutes during which nearly 100 rounds were fired. No casualties were reported.

Yankee Bombers Set Fires, Crete

CAIRO, Feb. 10—(AP)—Billy Mitchell medium bombers of the American air forces raided airbases at Candia and Kastelli Pediana on Crete Tuesday evening, a United States communique announced Wednesday night.

A big fire was set in the vicinity of one of the targets, the announcement said, but further results were obscured by clouds. All the planes returned safely.

Lot of Cigarettes

WASHINGTON, Feb. 10—(AP) Americans smoked 235,340,459,143 cigarettes last year, the internal revenue bureau said Wednesday.

Draft Supply Near Signup

WASHINGTON, Feb. 10—(AP) The office of war information reported Wednesday that the 48 states are supplying men to the armed forces in ratios "surprisingly close" to their total number of draft registrants.

New York, with 10.48 per cent of the nation's registrants, was credited with furnishing 10.93 per cent of the fighting men.