

IT SEEMS TO ME
By *Charles A. Sprague*

Senator O'Mahoney of Wyoming held a one-day hearing at the Portland chamber of commerce last week on post-war plans. A goodly number of Oregon residents testified, giving reports of present plans and statements of probable needs. One of the diversions of the proceedings was the testimony of Walter W. R. May of the Portland General Electric staff to the effect that the government should develop local industry to help take up the slack when shipbuilding winds up, while Paul J. Raver of the Bonneville administration assured Senator O'Mahoney that he as well as the majority of the people of the west favored "private enterprise." This "diplomatic revolution" is indeed startling. Perhaps it represents the Alphonse-Gaston approach to the problem of post-war planning. Private industry fears it can't swing the whole load, and government doesn't want to.

It is true that a great deal of the forward planning is in terms of government spending: more highways, more dams, a courthouse, new schoolhouses, slum clearance (with government money), public museums, swimming pools. Is private industry itself going to present petitions for revival of PWA and WPA?

When the war is over the public debt will be over \$300,000,000. The liquidation of the war-tapering off of contracts, compensation for discharged men and women in service, maintenance of forces in occupation, aid to distressed countries may cost an additional \$50,000,000,000 or so. Meantime private debt will have been greatly reduced, as well as indebtedness of subordinate units of government. The federal government cannot proceed with public works on a vast scale save by resort to deficits covered by additions to the debt. But there surely is a limit to such financing somewhere, some time. Business judgment will dictate that the federal government balance its budget and start to whittle down its debt.

Likewise it is a mistake to think that "industry," that is, manufacturing, can reabsorb the ten million from the military service and additional millions released from war production. By the last census there were employed in manufacturing in this country in 1939 only 7,886,567. Farming (1941) reported 10,267,000 workers. Other great classifications are the service trades, including retailing, mining, forest products, transportation. (Continued on Editorial Page)

Standley Back From Moscow

WASHINGTON, Sept. 24—(AP)—Ambassador William H. Standley arrived by plane today from his post in Moscow amid persistent reports that he will not return to the soviet capital which is soon to be the scene of important Anglo-American-soviet conferences.

Standley came home for consultation, the state department said, "in connection with discussions which are being carried on with the British and soviet governments."

For some months there have been reports, however, that the ambassador, who is 70 years old, did not want to spend another winter in Russia and that he would resign for personal reasons. W. Averell Harriman, lend-lease representative in London, is expected to succeed him.

Standley did not immediately call at the state department on his arrival, but has an appointment to report tomorrow to Secretary of State Hull.

Move Develops in Senate To Delay Foreign Policy

By JACK BELL

WASHINGTON, Sept. 24—(AP)—With the backing of Chairman Connally (D, Tex.) a strong move developed within the senate foreign relations committee today to delay action on pending declarations of post-war foreign policy until the views of America's chief allies have been sounded out.

Without mentioning either the forthcoming tripartite meeting of allied foreign ministers or the possibility that President Roosevelt, Prime Minister Churchill and Premier Stalin may get together before the end of the year, Connally declared the committee has no desire at this time to "afford an opportunity for interperate and trouble-making debate on the floor of the senate."

"Ill-considered debate," he said in a statement, "might produce irritations or vexations at a critical period in the prosecution of the war."

"It is known to all well-informed men that the utmost freedom of debate is permitted under the senate rules," Connally said. "It is further known that senators do not hesitate to avail themselves of that unlimited freedom."

Connally's view that the committee ought to proceed cautious-

Harvey Kennedy Killed in Action

Staff Sgt. Harvey L. Kennedy, whose home is in Silverton, was killed in action in the southwest Pacific war area, the war department announced yesterday. His father is Lloyd Kennedy, 219 Mill street, Silverton.

What is the cost of living in England?

What wages are paid in England?

See the Sunday Statesman for a most interesting report on English living conditions—a personal letter from a young English housewife to her cousin in America.

Tomorrow's SUNDAY STATESMAN.

Nazis Evacuate Smolensk

Berlin Reports Retreat Reds Arrive At Dnieper

LONDON, Saturday, Sept. 25—(AP)—A DNB statement broadcast from Berlin today said that Smolensk, important nazi central front bastion, had been evacuated in the face of advancing Russian forces.

The broadcast, recorded by Reuters, said that Kozlavi, southeast of Smolensk, also was abandoned by the nazi garrison.

The news agency statement said: "After completing the most important and necessary measures and demolition of all important military installations, the towns of Smolensk and Kozlavi were evacuated last night by German rearguards."

By JAMES M. LONG

LONDON, Saturday, Sept. 25 (AP)—The battle for the Dnieper river defense line began today as the Russians surged forward in force along a 300-mile front on the eastern bank and knocked at the gates of Smolensk in the north and Kiev in the south, Moscow announced.

German reports said the Russians had tried to cross the Dnieper only one mile above Kiev where the Desna joins the Dnieper but the soviet communique made no mention of a crossing, nor an attempt to cross.

The soviet monitor, incorrectly transcribing a Moscow broadcast of the communique, first said the Dnieper had been crossed in the Gomel sector but later changed its version of the communique to tell of a crossing of the Iput river, some 70 miles east of the Dnieper.

Nevertheless, the Russians, according to Moscow reports, were already at the river in many places and the German themselves mentioned an attempted soviet crossing below Gomel at a point where the Pripet river enters the Dnieper.

In the fighting for Smolensk the Soviets announced the capture of (Turn to Page 2—Story D)

McCoy Retires At Adair; Hays To Fill Post

Col. Gordon H. McCoy, post commander of Camp Adair since June 28, 1942, will retire next week, to be replaced at the post by Col. Samuel D. Hays, who has already come from Boise barracks, Boise, Idaho.

Retirement of McCoy from active army duty as of midnight September 30, known to be upcoming since congressional approval was given the moving out of active duty army officers 60 years of age and under the grade of brigadier general, was announced officially at the camp on Friday.

Plans for his future were still indefinite, Col. McCoy declared here last night. With his wife and small daughter, the post commander has made his residence in Salem.

Col. Hays, infantry officer, was a national guard officer prior to the national emergency. He arrived at the post Wednesday.

McCoy, artillery officer, is a graduate of the US Naval academy at Annapolis, a veteran officer of World War I, has made the army his career, and has just reached or is this fall reaching retirement age.

With a background of service in many capacities he came to Camp Adair as its first post commander. He was decorated with the Medal of Military Merit by the Mexican government during his three years of service as military attache in Mexico City for the three years prior to 1942. He served on the board of economic warfare, Washington, DC, for the six months preceding taking over post commander duties here.

Native of the Shenandoah valley, Va., he is a graduate of the Ft. Sill school of fire, the command and general staff school at Leavenworth and the Army War college at Washington, DC, as well as of the naval academy.

With the 91st division, comprised by troops of the Pacific coast states, Col. McCoy saw front line service during the first World War, in which he rose from grade of captain to that of major.

The colonel, with knowledge of the Spanish language and his skills, saw service in the Philippines and the Panama Canal zone during peacetime as well as in Mexico City.

Allies Continue Air Offensive

By GLADWIN HILL

LONDON, Sept. 24—A big fleet of RAF night bombers hit four big German industrial centers—including the important twin cities of Mannheim-Ludwigshafen—and American Marauders again raided Evreux-Fauville air field near Paris in daylight today, carrying the allies' latest large scale round-the-clock aerial assault from Britain into its third straight day.

A joint British-American communique said that during the day Eighth air force Marauders attacked nazi air fields at Evreux-Fauville and Beauvais-Tille, while RAF Mitchells blasted a railway center at Amiens and air fields at St. Omer-Longueuse. Typhoon bombers also bombed the latter air field. At the same time US Thunderbolts made supporting sweeps over France and Belgium. (Turn to Page 2—Story G)



New Commander at Adair



McCoy Retires At Adair; Hays To Fill Post

Ex-Premier Herriot Dies In France

STOCKHOLM, Sept. 24—(AP)—The death of a hospital in southern France of Edouard Herriot, former French premier, was reported today in a dispatch from Berlin to the Svenska Dagbladet.

The dispatch said Herriot had been taken to the hospital recently, but gave no details of his death.

Early in September the nazis had reported that Herriot had fallen ill of a mental ailment and was confined to a sanatorium. Herriot had been one of the French political leaders taken into custody to be tried for contributing to the nation's downfall after the armistice in 1940. President of the chamber of deputies at the time, he had opposed capitulation and later protested the dissolution of the French parliament.

Herriot was a prominent figure in French politics beginning about 1916. A radical socialist, he became premier in 1924 and again briefly in 1926. He lost favor politically because of his championing the policy of paying the war debt to the United States, but was active in politics again before the outbreak of the present war.

Aussies Drive On Jap Base Allies Bomb Enemy Fleeing Lae, Salamaua

By BOB EUNSON

ALLIED HEADQUARTERS IN THE SOUTHWEST PACIFIC, Saturday, Sept. 25—(AP)—The airdrome at Finschhafen, New Guinea, has been captured by Australian veterans of desert warfare who now are within three quarters of a mile of invading the Japanese coastal base itself, Gen. Douglas MacArthur announced today.

The Australians, who overran the third air base to fall into MacArthur's hands since Sept. 11—the Salamaua airdrome was seized on that date, Lae five days later—now are exchanging fire with the Japanese across the Bumi river just north of Finschhafen.

These Aussies landed Wednesday, under warships and bomber cover, six miles north of their objective, and headquarters disclosed today that they cooly ran into Japanese mortar and machinegun fire. A half hour later they had wiped out the opposition and held a strong beachhead.

Then they moved steadily south and took Finschhafen under artillery fire.

While pressure was being increased on Finschhafen's garrison, Mitchell medium bombers flew low in a sector some 70 miles to the west to hammer the rear door of the Markham valley where enemy remnants may be (Turn to Page 2—Story E)

Congress Set To Seek Out More Revenue

By FRANCIS M. LEMAY

WASHINGTON, Sept. 24—(AP)—Congressional tax machinery was geared today to begin October 4 the hard grind of finding additional billions to finance the war, but some lawmakers were skeptical of the ability of taxpayers to bear an appreciably greater burden.

Chairman Doughton (D-NC), after a two-hour meeting of the house ways and means committee, announced plans to open hearings a week from Monday on a new general revenue measure, and said:

"It is extremely important that the revenue bill be passed before the end of this year to avoid retroactive taxation. The hearings will be given over to the problems of raising additional revenue needed to finance the war."

The administration has suggested that \$12,000,000,000 be needed, in addition to the \$38,000,000,000 now being collected annually.

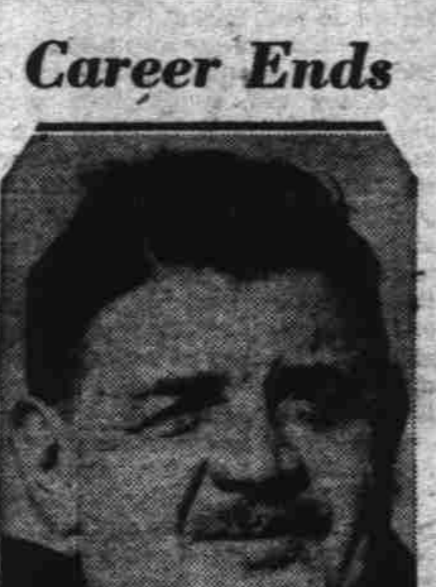
However, Reps. Knutson (R-Minn.) and Carlson (R-Kan.), both ways and means members, expressed doubt that anything like \$12,000,000,000 more can be raised without undue hardship.

Knutson said "I am frank to say that I do not see how we can hope to increase taxes much more," and Carlson agreed, saying, "I don't think taxes can be much higher."

What paths the search for new revenue might take remains a mystery, since both the treasury and the tax staff employed by congress declined to give any hint. Thus, no observer can speculate with any certainty on how the individual taxpayer will be affected.

DeGaulle-Giraud Dispute Flares

NEW YORK, Sept. 24—(AP)—Don Hollenbeck, NBC correspondent in Algiers, tonight quoted "reliable sources" as saying that a dispute had flared between Generals Giraud and DeGaulle over the Corsican campaign and that DeGaulle cried "You stole my Corsica!" and tried to have Giraud ousted as French commander-in-chief.



EDOUARD HERRIOT

Career Ends

Ex-Premier Herriot Dies In France

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DeGaulle-Giraud Dispute Flares

MARION vs. LANE THIRD WAR LOAN THERMOMETER

5 Million	Marion quota \$4,931,000
4 Million	Lane quota \$4,564,000
3 Million	
2 Million	
1 Million	

LANE MARION TO DATE

Marion	\$2,852,800
Lane	\$2,682,855

(Lane total compiled at noon, Marion total at close of day's sales.)

M'Arthur For All Out Drive

AP Writer Tells Background of Recent Assertion

(Editor's note: Just what did General MacArthur have in mind when he issued his statement of September 22 commenting on press reports that his part in the war was to be curtailed and his command subordinated? C. Yates McDaniel, Associated Press bureau chief at MacArthur's headquarters, herewith outlines the background for the statement that provoked the discussion and analyzes the reasons why MacArthur favors a fullscale assault on Japan from Australia, instead of Burma, Hawaii or Alaska.)

By C. YATES MCDANIEL

ALLIED HEADQUARTERS IN THE SOUTHWEST PACIFIC, Saturday, Sept. 25—(AP)—The vital issue brought into the open by General Douglas MacArthur's statement implying that his role in the war might be curtailed, is not who is to direct the major assault on Japan, but from what base or basic area such an offensive is to be mounted.

Expected official reaction has not been forthcoming from Washington, London or Canberra, but a London announcement did set a dividing line between the commands of General MacArthur and Lord Louis Mountbatten in southeast Asia.

MacArthur, immersed in prosecuting the war from forward headquarters and consolidating allied strategic gains in New Guinea, has made no further reference to his statement of Wednesday nor the reasons behind its issuance.

When MacArthur said he was willing to accept a subordinate role, discussion immediately arose as to whether the major attack against Japan would be made by Lord Mountbatten's forces in India or those under the southwest (Turn to Page 2—Story F)

Permanent' Anti-Freeze Available Oct. 1

WASHINGTON, Sept. 24—(AP)—Owners of passenger cars may purchase the so-called "permanent type" of anti-freeze beginning October 1, the war production board announced today. Until that date the supply will be reserved for commercial vehicles, tractors, stationary engines, and the police cars.

Mrs. Roosevelt Takes No Rest

NEW YORK, Sept. 24—(AP)—Mrs. Eleanor Roosevelt ignored a chance to rest tonight after completing a 26,000-mile tour of the south Pacific war zone.

She accepted an impromptu invitation to the service men's lounge in the Union Methodist church and there inspected the reading room, dance floor and kitchen facilities, shook hands with scores of 300 service men, and 100 hostesses and gave a number of autographs.

Then she delivered a short speech expressing pride in the fighting men she had met.

Lane Is Jittery Though Gaining in Bond Tussle

It's poor business to count on a breakdown of the enemy's morale. Nevertheless there are hints of the jitters in recent press releases from the Lane county third war loan headquarters, from which the bond-buying "war" against Marion county is being directed. Sly intrigue is indicated too; Lane Chairman N. H. Comish has invited, or challenged, Marion Chairman Jesse Gard to visit Eugene and—this is the slick part—"offers" to let him address a Victory Center rally.

Statistically, however, Lane county is right on Marion's heels. At checkup time Friday noon Lane reported \$6,682,855, which was little more than \$2000 behind Marion's \$2,685,000. However by nightfall Marion's total had climbed to \$2,852,800, which was about 57 per cent of the \$4,931,000 goal. It should be kept in mind that Lane's goal is slightly less, \$4,564,000. Lane's total Friday noon was about 58 per cent of that goal; however, Lane's boast is to defeat Marion on a dollar basis.

Reiterating his claims as to Lane citizens' superior intelligence, Dr. Comish said the Marion county war finance committee had to employ "a bag of tricks," whereas the Lane staff "merely tells Lane county citizens the naked truth. Namely, that US war bonds are safest securities in the world, pay splendid rates of interest... and that Uncle Sam will use the proceeds to buy weapons of war."

That Marion county canny workers, at any rate, are aware of those facts without long-distance reminder was demonstrated when sales in excess of \$18,000 were recorded at four canneries when, on their respective paydays, solicitors directed by Francis Smith and Douglas Yeates canvassed the workers. A similar program is planned for today at the Oregon Pulp & Paper company's Friday night a lively "shadow auction," a variation of the old style basket social with bidding in war bonds, was held in the Sidway-Talbot district with J. Gilmore and Dave Turnidge in charge. County Chairman Gard and Salem Chairman A. W. Smith-er attended.

Adam LaFor, publicity chairman for the Salem committee, declared Friday that the time has come for citizens who have been delaying their purchases to delay no longer, inasmuch as the campaign has only one week to run after today. In anticipation of its closing next Saturday, the biggest rally of the entire campaign is planned for next Friday. Details are not yet ready for announcement.

Marion county is to be credited with \$9000 of the \$25,000 war bond investment of the Williams-ette Production Credit corporation. (Turn to Page 2—Story A)

Corsica Towns Seized

Torpedo Boats Raid Albania Bay

By NOLAND NORGAARD

ALLIED HEADQUARTERS IN NORTH AFRICA, Sept. 24—(AP)—The American Fifth army, in full offensive, lunged toward tortured Naples tonight behind a violent artillery and air barrage which reduced stout German mountain positions and blocked enemy roads just behind the "bitter and severe" fighting.

Bonifacio and Porto Vecchio, main towns of southern Corsica, fell to French troops, patriots and American rangers who were steadily herding the Germans to the northeast corner of the island, from which they were trying desperately to escape by air and sea.

The vulnerability of the German-held Balkans to allied attack across the Adriatic was demonstrated by a bold raid of motor torpedo boats which sank a loaded ammunition ship and another vessel in the Albanian bay of Valona. They damaged two more and escaped without damage or casualty before coastal guns could find their range.

The American and British troops of Lt. Gen. Mark W. Clark's Fifth army exerted so much pressure before Naples that the British Eighth army was able to mop up virtually all Italy south of a line east of Salerno to the Adriatic above Bari. Impeded only by demolitions, the Eighth army captured Altamura, 42 miles northwest of Taranto, and Matera, ten miles south of Altamura. An arm of the Fifth army scooped up the mountain town of Oliveto-Citra, 24 miles east of Salerno.

ReIman Merin, Associated Press correspondent with the American Fifth army, reported that Gen. Sir Bernard L. Montgomery, commander of the British Eighth army, and Gen. Clark had conferred for more than an hour on what Clark described as future plans and the relationship between the Eighth and Fifth armies. Montgomery said his army was "moving along very well." (Turn to Page 2—Story B)