

### Hengyang Still In Possession Of Chinese

CHUNGKING, June 30—(AP)—The vital rail junction of Hengyang is encircled by three Japanese divisions but still in Chinese hands, a Chinese army spokesman said in a press conference today, and he reiterated charges that the enemy was using poison gas against the defenders of the city, loss of which would remove the last major Chinese position along the entire length of the Canton-Hankow railway.

(The Tokyo radio broadcast a dispatch of Domei, Japanese agency, dated yesterday "in the suburbs of Hengyang," telling of the fall of the American air base in the area last Monday. This was admitted yesterday in a communique of Lt. Gen. Joseph W. Stilwell's headquarters.

(Another Tokyo broadcast said the city of Hengyang was in flames since Wednesday, and that reduction of the junction had reached a climax with fighting in the streets).

Maj. Gen. C. C. Tseng said that captured field orders showed that a Japanese column which tried to bypass Hengyang on the east had as its objective the railway town of Lei yang, about 35 miles south-southeast of Hengyang. He said this column was halted north of Anjen, 38 miles east-southeast of Hengyang.

Gen. Tseng admitted the probability that the Japanese, if they occupied Hengyang completely, probably would strike southwest toward Kweilin, provisional capital of Kwangsi province, and south toward the Canton area in Kwantung province, to complete the conquest of the Canton-Hankow railway.

### Reds Plunge Ahead Toward Doomed Minsk

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debacle was made known in a special announcement by Moscow, which said that the first White Russian army fighting for Bobruisk had killed 50,000 and captured 23,000 and the second White Russian army which took Mogilev killed 30,000 and captured 3250. Coupled with figures announced Thursday for the third White Russian and the first Baltic armies, the dead alone in the week's operations amounted to 133,000.

German losses in equipment over this period were equally as staggering. Moscow said the Germans during the week had lost 941 tanks and self-propelled guns, 5149 guns of various caliber, 3776 mortars, 16,054 machine guns and 29,662 trucks.

The part of this damage which accounted for by the two armies fighting from bases north and south of Vitebsk had been enumerated Thursday, but the figures given tonight by Moscow for the two White Russian armies striking along the southern rim of the flaming front were more imposing than those of the day before.

In the Bobruisk-Mogilev sector German losses in equipment amounted to 446 tanks and self-propelled guns, 3075 other guns, 2646 mortars, 8464 machine-guns and 22,072 trucks.

The regular nightly communique announced big advances for the Soviet forces all through White Russia as the German defenses crumbled into nothing.

### New Cut Due In Car Ration

WASHINGTON, June 30—(AP)—A deep new cut in the ration allowance of new passenger cars was ordered tonight, following announcement of the complete removal of inner tubes from rationing and a slight increase in the number of tires for motorists.

The office of price administration said it would release only 7000 new automobiles in July from the nation's dwindling supply of motor cars. The number is 22 per cent under the June quota and 30 per cent under May.

Only 30,000 new cars remain to meet all needs until the government can permit the resumption of automobile production, OPA said. This is a three-day supply in normal times. About 530,000 cars were in stock when manufacture stopped.

In a more welcome action, OPA ordered that motorists, effective tomorrow, may go directly to dealers when tubes are needed, without applying to local ration boards.

### British Drive Forward in Caen Area



British Tommies lie in a roadside ditch as a Sherman tank, followed by a motorcycle dispatch rider, kicks up a trail of dust as allied forces advance along the road between Tilly and Caen at the eastern end of the Normandy beachhead where fighting is fiercest in invasion of the continent. This is a British official photo. (AP Wirephoto via signal corps radiophoto.)

### Marion Bond Sales Pass \$4,000,000

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Our Way to Tokyo," by Esthel Benner, state employee who is bond headquarters organizer. The victory trio from the US National bank and the Top Hatters orchestra also provided music.

A dance planned for tonight by the special events committee has been cancelled because the military band which was to have come to Salem will not be able to be here, but Monday's dance will be held, committee members said. Another park program is planned also for Monday night.

John Olson and Waldo Geddes, who recently were in several communities of Marion county outside of Salem, reported to American Legion and special events committee members, who jointly sponsor the Fourth of July celebration here, that they found enthusiasm and interest running high and that a large attendance from towns outside of Salem and from rural areas should be expected.

Among the bond sales reports Friday was that of A. R. "Pat" Johnson, chairman of solicitations in the "Penney block," who brought in \$120,000 worth of sales.

Addition of a five-piece bedroom suite, gift of Salem furniture dealers, and of a 65-piece set of Dresden china valued at \$99, gift of Stayton merchants, to the previously-donated automobile—all to be given as prizes at the Fourth celebration—was announced Friday.

### GI Puts One Over on GOB

FARRAGUT, Idaho, June 30—Delbert W. Tripp, Salem, Ore., recruit at this US naval training center, recently received one of those morale building objects known as a letter.

The handwriting revealed it was from the girl friend back home. He hastily tore open the envelope, only to discover that the letter wasn't intended for him at all—it was addressed to a soldier whom he didn't know the "girl friend" was even going with.

"The army must be full of wolves," he commented dryly.

### Two Salem Veterans Will Get Furloughs

Cpls. Carl A. Couson and Andre Mihalisko of Salem shortly will arrive in the United States on furlough from the European theatre of operations, where they have served 20 and 18 months, respectively, the Ninth service command has notified The Statesman.

Couson, son of Mrs. Roxy B. Loundagin, 453 Shipping street, served with the infantry, while Mihalisko, husband of Maxine B. Mihalisko, is a member of the

### Rise Stevens Bears 7-Pound, 9-Ounce Boy

HOLLYWOOD, June 30—(AP)—A 7-pound, 9-ounce boy, Nicholas Vincent, was born today to opera singer Rise Stevens, wife of Walter Saurovy, actor. Mother and babe are progressing satisfactorily, the attending physician reported.

### British Drive Toward Orne River, Caen

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the south which would permit the allies to employ their superior armor more freely.

The costly Nazi counterattacks on the southwest front showed the German high command's concern. At one time the enemy drove a wedge one mile into the base of the allied positions, but the attack was broken by a storm of artillery fire. The British then swept back and widened their salient.

With the initiative still firmly in his hands, Gen. Sir Bernard L. Montgomery then struck both east, directly toward Caen, and south, deepening the salient between the Orne and Orne rivers.

An enemy broadcast reported a concentration of three British infantry and three tank divisions southwest of Caen and said "it can be assumed that Montgomery expects a decisive breakthrough here."

If so, the Germans have at least 24 fewer tanks with which to face the onslaught, because that is what their futile counter-attack from the southwest near Granville cost them. A dozen were destroyed in the artillery barrage and the rest were knocked out by rocket-firing fighter planes.

### Chaplain Will Speak July 4

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kets to supplement the barbecued sandwich. The committee is prepared to serve six thousand people, and for this purpose a fine steer was donated by the Valley Packing Co. and bread for 6000 sandwiches donated by Salem bakers.

### Chinese Troops Move Down Rail to Mandalay

SOUTHEAST ASIA COMMAND HEADQUARTERS, Kandy, Ceylon, June 30—(AP)—Chinese troops; southwest of the Chinese-held supply base of Mogaung in north Burma are advancing down the main railway leading to Mandalay, a communique of Admiral Lord Louis Mountbatten's headquarters announced today.

At Myitkyna, some 35 miles east of Mogaung, Chinese troops have made further advances in the southern sector of that besieged Japanese base, last major enemy stronghold in north Burma.

### Taylor Pleads Guilty On Assault Charge

Pleading guilty to a charge of assault with a dangerous weapon, Verl C. Taylor, who allegedly shot Harley O. White as the latter stood in the doorway of the Lowell White residence one night last month, was ordered held in the county jail in lieu of \$7500 bail in Marion county circuit court Friday. The case was continued to give the state parole board a chance to study it and make recommendations.

### HOLLYWOOD

Continuous from 2 P. M.

Chester Morris Nancy Kelly in "TORNADO"

Elvis Knox Donald Woods Ray Eberle and His Orchestra in "HYA, SAHON"

### US Promises Philippines Independence

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commission to prepare the economic and financial restoration of the islands.

However, President Manuel L. Quezon, in poor health for some time, issued a statement from Saranac Lake, N.Y., saying he had supported an original draft of the legislation, as introduced by Senator Tydings (D, Md) to grant Filipino independence outright within 30 days after its passage.

### Flying Bombs Kill Children In Nursery

LONDON, June 30—(AP)—Hitler's blindly aimed vengeance bombs drowned across southern England in deadly procession all day today, killing a number of people, including babies in a rural nursery home.

The sinister flying bombs came over in increased numbers by daylight, leaving dreadful scenes at widely scattered places, but none so poignant as the demolition of a nursery, where begrimed rescue squads still toiled tonight, seeking bodies.

Twenty-six babies less than two years old—orphans of bombed families and children of expectant mothers—had been billeted in the home with a staff of 12 nurses.

Some of the children were found only slightly injured. Other tiny bodies were identified only by their ankle discs.

Among the crushed bodies were the remains of toys—smashed hobby horses and wrecked perambulators.

"The place was in flames," related Mrs. E. J. Smith, wife of the nursery's gardener who lives in an adjoining cottage. "Boilers burst and there was water and steam everywhere."

An official tabulation tonight showed that five babies and five members of the nursery staff had been rescued alive during the day. Five babies and three nurses were listed as missing.

### Buy Battle Bonds—Invest in Victory's March!

Ends Today! Alice Faye Carmen Miranda "The Gang's All Here" "Enemy Agents Meet Ellery Queen"

### Tomorrow! Because You Asked for It's Return!

A Thrilling Story of Courage and Loyalty! Roddy McDowell Donald Crisp

### LASSIE

IN VIBRANT TECHNICOLOR! Come Home Gay! Romantic Co-Feature!

### Olivia DeHavilland

Sonny Tufts

### Yank Losses Running High On Saipan

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but 4951 Japanese dead already had been buried. Many dead or wounded had been removed by the Japanese as they retreated.

As at Tarawa, which cost to that time was the most costly victory in marine corps history—the losses on Saipan were heaviest among the marine assault force. The total, covering the period from the invasion June 14 through last Wednesday, included 1269 killed in action. At Tarawa 968 marines lost their lives.

Army dead on Saipan totaled 185. The wounded included 6377 marines and 1023 army men. Missing were 827 marines and 51 army men.

Despite difficult terrain and intensified resistance, American ground forces scored new gains at the center of the island-wide battle line and on the eastern or right flank. Nimitz reported a dominating position had been occupied near the small mountain town of Charan Danhill, on the eastern end of the front.

Enemy strong points in the Tanapag harbor area on the western side were being pounded steadily by carrier planes and warships. The final showdown battle for the island may occur in that area north of Garapan. Neutralizing bombardments continued against Tinian and Rota islands to the south, and against enemy bases in the distant Caroline and Marshall island groups.

### US Breaks Off Relations With Finland

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Opinion here is divided as to whether the Finns will stay in the war until smashed by the military power of Russia or throw their country into civil war in an attempt to regain their independence.

In the highest levels of the American government, there apparently is no thought, at least at this time, of following up the break with a declaration of war which would place this country in the same relationship to Finland that the Russians have made since June, 1941, and the British since December of that year.

The severance of diplomatic relations was accomplished at about 11:00 a. m., Eastern War Time, today when Alexander Thelesoff, the Finnish charge d'affaires, arrived at the office of George T. Summerlin in the state department. Summerlin, special assistant to Secretary Hull, handed Thelesoff his passport and a letter from Hull announcing the break.

Meanwhile, in Helsinki, Edmund Gullion, the American charge d'affaires, had received instructions to request passports for himself and the five members of his staff and members of their families. The Swiss government was requested to assume protection of American interests.

### Oregon Bond Sales Total \$106,990,607

PORTLAND, June 30—(AP)—Fifth War Loan sales in Oregon reached \$106,990,607 today, well along toward the \$125,000,000 goal; but E bond sales dragged at \$15,199,475—still less than half the quota.

Tinhaters at Swan Island shipyard surpassed their quota by more than a million dollars, and promptly used the original goal to \$4,000,000.

### Robert M. Lehman Buys Spa Restaurant From Frank Myers

Sale of the Spa restaurant and confectionery, third oldest retail establishment under continuous operation in Salem, marks the close of Frank Myers' 45-year career at the State street eating place.

Robert M. Lehman, Salem high school graduate who has been away from Salem the past 15 years, and Charles A. Johnston, residents as the former owner of Chuck's restaurant on the Pacific highway north of Salem, completed the purchase deal with Myers on Friday.

Frank V. Brown, assistant manager of the Spa for the past 20 years, and other members of the organization will remain with the business when it is turned over to the new owners formally at an organization breakfast this morning.

The Spa was established by Gideon Stolz in 1891, the same year in which Bishop's store went under control of C. P. Bishop. Both of those pioneer business men are dead, but George Will, who opened his music store 57 years ago, remains in business, dean of all Salem retailers, it is believed.

Myers, reared on a farm at La-comb and with two years of experience in the business, director of the office of defense transportation, tonight warned the public that "there is no room today on the country's trains or inter-city bus lines for holiday travelers."

Estimating that more than 20 per cent of the present day railroad travel was non-essential, Col. Johnson urged in a broadcast (NBC) that "only those on essential business have the right to travel in these crucial days."

"If you fall to heed our request, I must warn you that your non-essential pleasure trip may turn out to be rather unpleasant," the ODT chief said.

"You may be left stranded and unable to return when you wish. You will very likely be compelled to stand for hours in crowded cars, be unable to find eating facilities, or you may even be evicted from the space assigned and purchased if your space is required for casualties."

"The situation is serious, very serious, in coaches, Pullman cars and inter-city buses."

Col. Johnson said that rationing of travel would not be necessary if the public continued to cooperate in ODT's travel conservation program. The response from organizations and large companies to ODT's request for the cancellation of conventions and unnecessary trips has been gratifying thus far, he said.

### Commission to Report '43 Tax Rate in August

The state tax commission shortly before August 1 will announce the state income tax rate on 1943 incomes, Commissioner Earl Fisher declared Friday.

Under the 1943 legislative act (Walker plan) the commission has authority to reduce the tax rate as long as there is more than enough revenue for state requirements.

This year's reduction was 75 per cent but Fisher said the reduction for 1945 would be less.

### Johnson Asks Public Stay Off Trains

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### Italy Germans In Full Flight

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Lake Trasimeno, swept through numerous villages and captured the picturesque town of Castiglione Del Lago on the lake's west bank. British patrols thrust to the vicinity of Magione on the east bank and reached the Chiascio river above Perugia.

The new break-through appeared to be paving the way for the fastest allied advance since Field Marshal Albert Kesselring succeeded in checking the disorganized flight of his forces far above Rome. It virtually guaranteed that the allies would be smashing at the "Gothic" line long before the summer is out.

### ON the HOME FRONT

By ISABEL CHILDS

Lock, stock and barrel, Frank Myers this week sold the Spa. But he has fixed it so that his three grandchildren feel, and delightedly express it thus that "the Spa is still ours!"

Thousands of us who as high school girls and boys have proudly set up ice cream sodas and cokes to our crowd at the Spa understand the pleasure that Marilyn and Robert Myers and even little Patricia Claggett have already had out of the knowledge that the mirrored fountain, the booths beneath the flower festooned walls and (ah, delight of our first downtown luncheon party) the green gate room were all settings for their entertainment of their friends.

### D.E. Nickerson, Labor Leader, Dies in Sleep

PORTLAND, June 30—(AP)—Dellmore E. Nickerson, who rose from a carpenter's apprentice to become executive secretary of the Oregon State Federation of Labor, died here today.

Nickerson, who returned only last week from presiding at the state AFL convention in Eugene, was found dead this morning when his family tried to awaken him. He was 56.

The Portland man was a member of Oregon's post-war readjustment commission, the county civil service commission, the war housing authority, and the regional war labor board. He was president of the state AFL before taking over the secretaryship in 1938.

Nickerson, born in Willamina in the same house where his mother was born, began work as a carpenter when he was 14. He became president of the Portland central labor council in 1919.

A union official during the years of goon riots, Nickerson spoke out repeatedly against "labor terrorism." In 1939, when he was reelected to his AFL post by the largest referendum vote ever cast, he urged "earnest teamwork by business, employers and workers" as the only solution to economic difficulties.

He is survived by the widow, Anna; two sons, Dellmore and Raymond, a grandson and a brother.

THE HOUSE THAT BUILT LIBERTY - Continuous from 1 P. M. - Starts Tomorrow! They Fought Like Wildcats for the Indians' Oil Lands!

IN OLD OKLAHOMA - Co-Feature! YOUR FAVORITE COWBOY STAR! JOHN WAYNE MARTHA SCOTT ALBERT DINKER GEORGE HAYES - Roy Rogers in "SILVER SPURS" - Sunley Burgett

DANCE Everybody Welcome SALEM ARMORY TONIGHT - Sponsored by Capital Post No. 2, American Legion

Olivia DeHavilland - Sonny Tufts

LASSIE IN VIBRANT TECHNICOLOR! Come Home Gay! Romantic Co-Feature! - News Flash! Attack on Cherbourg!

HER HEART IS IN HER VOICE! FRANCES LANGFORD Career Girl - News Flash! Attack on Cherbourg!