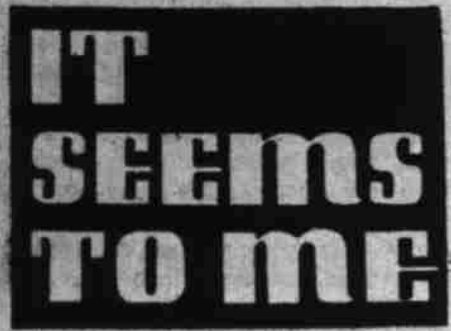


Sixth War Loan Quota Topped but More Needed

(Story in Column 5)



By Charles A. Sprague

Word comes from the state-house that the "dairy industry itself" will draft new milk control bills to be submitted to the legislature. This presumes a unanimity within the dairy industry which does not exist. It is a sharply divided business. Producer-distributors constitute one group; producers marketing through the big Dairy Cooperative another group; independent "B" shippers another; milk distributors another; dairy products manufacturers, independent and cooperative, two more groups; and the one- or two-cow "dairies" another.

The prospects of getting all these people who are important components of the "dairy industry" to agree on anything in the way of legislation are slight. Already one hears rumblings of protest against the call for universal pasteurization, with cries of "monopoly" and "putting the little fellow out of business." A new organization has been formed in Portland and according to "underground" report it plans to oppose all or part of the proposed legislative program.

The immediate agitation for legislation has arisen over undulant fever, with a reported 170 cases of this disease for the Portland area. This disease is spread by an organism which causes Bang's disease in cattle, often called contagious abortion, because cows afflicted with it abort and lose their calves. The current Ladies Home Journal contains a good, popular article.

(Continued on editorial page)

Crack Chinese Division Puts Japs to Flight

CHUNGKING, Dec. 8—(AP)—Counterattacking Chinese troops have recaptured the important railroad town of Tuhshan, 75 miles southeast of Kweiyang on the old Burma road, and are pursuing battered Japanese invasion forces toward the border of Kwangsi province, the Chinese high command announced today.

Electrifying this capital with its first good news in many weeks, the announcement said a crack Chinese division hit the Japanese at dawn today and sent the enemy "fleeing south in disorder with our victorious troops hot on their heels."

Several Chungking newspapers used extra telling of the victory and predicting that the Japanese would be driven from Kweichow province.

Boys From 20 Towns at Meet

One hundred twenty-five high school boys from 20 mid-Willamette valley towns gathered here Friday night for first sessions of their annual Older Boys' conference which continues through today.

Hi-Y mothers who handled the housing arrangements saw their difficulties in securing rooms vanish Saturday, as offers of accommodations poured in in greater number than were required. They expressed their gratitude for the hospitality proffered by many Salem families.

A full program of addresses, a luncheon and visits to state institutions and capitol building are on the conference schedule today. The conference banquet was held Friday night at the First Presbyterian church.

Layton Goes to Death in Gas Chamber Still Denying Crime

Richard Harry Layton, insisting to the last that he was innocent, went to his death in the gas chamber at the state prison Friday for the slaying of 17-year-old Ruth Hildebrand of Dallas a year ago last June 8.

Layton, 37, former Monmouth policeman, was the seventh person to die of gas at the penitentiary. He was pronounced dead 15 minutes after entering the chamber at 9:05 a.m. There were 75 witnesses.

Layton was accompanied to the gas chamber by the Rev. S. Raynor Smith, prison chaplain, who had spent the night with him.

A few minutes prior to the execution, Layton gave reporters a statement insisting he was innocent. His mother, Mrs. Harry Layton, gave The Statesman a statement, which she said was dictated by her son Thursday night, as follows:

"I never killed the girl for whose death I am about to die. She, a soldier and I were on the

The Oregon Statesman

FOUNDED 1851

NINETY-FOURTH YEAR

12 PAGES

Salem, Oregon, Saturday Morning, December 9, 1944

Weather

Maximum temperature Friday 51 degrees, minimum 30 degrees, no rain, river -4 ft. Washington: Partly cloudy Saturday and Sunday. Little change in temperature. Oregon: Clear Saturday, partly cloudy Sunday. Little change in temperature.

Price 5c

No. 228

YANK ARMIES SLICE SAAR

Russ Battering At Gates of Budapest

Circling Hungary Citadel

Germans Admit Capital Garrison Situation Critical

LONDON, Saturday, Dec. 9—(AP)—Berlin said last night that Russian tank forces had crashed through to the Danube river north of Budapest, half-encircling the Hungarian capital garrison already imperiled by other Soviet units which crossed the river 13 miles southwest of the city.

A German broadcast intimated the important railroad junction of Aszd, 15 miles northeast of Budapest, had fallen, saying "superior" red army forces attacked the village and that "most of the German garrison fought its way out while the rest resisted to the last round of ammunition."

Marshal Rodion Y. Malinovsky's Second Ukrainian army units broke through to the Danube in a three-day 27-mile drive from Hatvan, 10 miles east of Aszd, Berlin said, and were threatening the east bank communications center of Vac, 13 miles north of Budapest. Berlin also declared other Second Ukrainian army units had linked with Marshal Feodore I. Tolbukhin's Third Ukrainian army at Eros, on the west bank of the Danube 13 miles southwest of the capital.

Delve Anonymous Moscow's regular communique did not mention the northern action which Berlin admitted in a critical situation, but it did announce a powerful drive toward Vienna through the Budapest-Lake Balaton defense line southwest of the capital.

A midnight Soviet bulletin said that an entire Hungarian infantry regiment comprising 29 officers and 1390 men, surrendered as a unit on the Danube front, and that 300 others were captured and 1500 Germans and Hungarians killed in southwestern Hungary.

Jail and Fine Meted To Despoiler of Flag

WEISER, Idaho, Dec. 8—(AP)—Vern Wilburn of Weiser pleaded guilty in district court here to desecrating the United States flag and was sentenced by Judge A. O. Sutton to 30 days in jail and a \$100 fine.

The complaint charged that Wilburn last July pulled the flag from a light pole on a downtown Weiser street and "threw the flag contemptuously on the ground."

Heaviest Combined Strike of Pacific War Jolts Japs in Bonins

US PACIFIC FLEET HEADQUARTERS, Pearl Harbor, Dec. 8—(AP)—A heavy bomber force jolting the Bonin islands yesterday in a combined attack with warships probably was the greatest land-based air fleet ever thrown against a single objective in the Pacific. Adm. Chester W. Nimitz said today a "sizeable" force of Superfortresses (meaning 75 to 100 in past accounts) joined with 108 Liberators shielded by 30 fighters in a strike on Iwo Jima, 750 miles south of Tokyo and base for Japanese nuisance raids on Saipan.

Five Zeros were shot down and another damaged. There was no ack ack.

Fund for Albany Mine Laboratory Rejected

WASHINGTON, DC, Dec. 8—(AP)—A \$160,000 appropriation to operate the recently constructed mining laboratory at Albany, Ore. was rejected by a 50 to 31 standing vote in the house of representatives today. The sum was requested as an amendment to the supplemental appropriation bill by Rep. Harris Ellsworth.

Planes Hammer Jammed Freight Yards of Nazis

LONDON, Dec. 8—(AP)—Upwards of 500 RAF Lancasters spread 300 tons of bombs on the jammed freight yards of Duisburg today and several hours later another force of British bombers attacked a synthetic oil refinery at the strategic transportation center on the northern perimeter of the Ruhr industrial area. Duisburg's railway yards were crowded with vital war equipment ready to be speeded to the western front.

Veterans Get Quarters for Service Work

Selective service offices in the Salem army were designated Friday as the capital city's Veterans Service center, clearing house for the various public and private agencies prepared to aid returning service men and women make the easiest possible adjustment to civilian life.

B. E. (Kelly) Owens, commander of Capital Post No. 9, American Legion, was unanimously elected temporary chairman of the Salem veterans' service committee at the organization meeting held Friday morning in the Salem Chamber of Commerce rooms, and Marcella Miller, chief clerk of Marion county selective service local board No. 1, was named secretary and veterans' information clerk.

Attending the meeting besides Owens and Mrs. Miller, were Ray Bassett and Arthur M. Johnson, Legion; Virgil Bolton and C. W. Prickett, Veterans of Foreign Wars; Mrs. A. L. Strayer, VFW auxiliary; Supt. Frank B. Bennett of Salem public schools; Marion Bowen, county welfare administrator; W. G. Nibler, county agent; C. F. Felke and Milton E. Coe, division of vocational education; William H. Baillie and Fred Wolf, U. S. employment service; Cecile Bowden, civil service commission; Olive Doak Bynon and Orpha Dasch, Red Cross; William Hamilton, state veterans' committee executive board, and Lt. Col. George E. Sandy, state selective service headquarters.

The entire veterans' assistance program was discussed in detail. Representatives from the committee declared later that all agencies are prepared to handle the problems of the returning veteran which have been delegated to them.

War Bill Again Gets O.K. Vote

WASHINGTON, Dec. 8—(AP)—The senate voted today to continue the administration's broad war emergency authority through 1945, passing without change the house-approved extension of the second war powers act.

Senate approval was by a voice vote. The bill now goes to the White House.

Churchill Wins in Showdown; Suggests U.S. Anti-Mob Aid

LONDON, Dec. 8—(AP)—Prime Minister Churchill won an overwhelming vote of confidence in the house of commons today for a foreign policy of intervention against "mob rule by murder gangs" in liberated Europe after a vigorous defense in which he clearly suggested that the United States could not wash its hands of the problem.

A tense, often turbulent, house supported him 281 to 32 when the premier, in a back-me-or-sack-me stand, forced the issue to meet a clamor of criticism at home and abroad.

The crisis was provoked by the use of British troops to combat fraternal strife in Greece, by British refusal to approve Count Carlo Sforza as Italian foreign minister, by violent demonstrations in Belgium, and by rumblings of unrest in Holland.

Damage In 'Quake' Admitted

Tremor Causes Tidal Wave in Industrial Area

By the Associated Press Tokyo acknowledged last (Friday) night that factories in Osaka and other war industry sections of the main Japanese island were damaged by the Thursday earthquake, so severe it caused a tidal wave.

A Domei agency dispatch, picked up by the federal communications commission, said factories and homes in Osaka, Hamamatsu and Shimizu areas were damaged, but claimed that "on the whole" the destruction was light.

The announcement did not indicate the extent of casualties except to state "a number of persons had suffered light or severe injuries" in the Hamamatsu and Shimizu areas.

Osaka, 240 miles southwest of Tokyo, has a population of 3,252,000. It is an important rail and shipping hub.

There was no indication Tokyo itself had been affected. The Domei dispatch listed the damaged areas as Osaka, Hamamatsu, Shimizu, Nagoya and Nagaoka.

Industrialists Lay Plans for War, Postwar

NEW YORK, Dec. 8—(AP)—The National Association of Manufacturers, pledging war production "until the last shot is fired," declared today preparation nevertheless must be made for reconversion if job goals are to be reached after the war.

In a resolution adopted at its 49th annual meeting, NAM urged:

1. War production until victory.
2. Maintenance of essential civilian goods.
3. The small amount of pre-reconversion work that must be completed to prepare for reconversion in the few converted industries on which substantial employment depends.

Morgenthau Returns to Duty After Week's Rest

PHOENIX, Ariz., Dec. 8—(AP)—Secretary of the Treasury Henry Morgenthau, Jr., left by plane today for Washington, where he will resume his cabinet duties after a week's rest near here.

French See Pact With Reds in DeGaulle Visit

PARIS, Dec. 8—(AP)—France and Soviet Russia will sign an alliance before Gen. de Gaulle returns from Moscow, well-informed officials at the Quai d'Orsay predicted today.

Use of British troops to maintain order in Belgium was directed by a British general operating under command of General Eisenhower, Churchill noted, pausing to praise Eisenhower and remark that "we thought those orders were wise and sensible."

Churchill remarked also that "our interest in Italy is the front," where under the American Lt. Gen. Mark Clark "we have confidently placed an army which is at least three-quarters British."

Bonds Hit Quota But Lag Cited

Sixth War Loan Topped; Individual Sale Needed

WASHINGTON, Dec. 8—(AP)—America passed its \$14,000,000,000 quota in the Sixth War Loan today and kept right on going because the drive could not yet be considered a success.

As individuals, Americans had reached only 60 per cent of the quota for individual sales, and only 46 per cent of their series E bond goal.

Quota Exceeded Treasury Undersecretary Daniel W. Bell announced the quota-busting figure of \$14,052,000,000. He said the war picture has changed since the goal was set. The armed forces need more supplies and ammunition than was expected, he said, and more money must be borrowed from the people.

Therefore, Bell said in a statement, "We should not be satisfied with anything less than a substantial over-subscription."

The bulk of Sixth War Loan money has come from corporations, \$11,031,000,000. Another week Individuals' sales were announced as \$3,021,000,000, compared with the individual quota of five billion dollars. The drive runs another week, to Dec. 16. Bond sales will continue to count through December, with final Sixth War Loan totals to be announced Jan. 2.

Series E bond sales were \$1,166,000,000, about 46 per cent of the E bond quota of \$2,500,000,000.

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Yanks Land Near Ormoc



American troops of the 7th division (large arrow) have landed three miles south of Ormoc on Leyte and are driving northward, Gen. MacArthur's headquarters announced. Other arrows are American land drives. Jap paratroopers who landed in the vicinity of San Pablo (A) are being wiped out. At Ormoc bay (B) 13 vessels of a Jap convoy were sunk. (AP wirephoto map)

Japs Trapped in Squeeze Play; Yanks Move Ahead On Entire Philippine Front

MACARTHUR'S HEADQUARTERS, Philippines, Dec. 9—(AP)—Three years from the day the Japanese first struck at the Philippines, US 7th division troops slashed through the Nipponese defenders of Ormoc to reach the outskirts of that enemy stronghold, Gen. Douglas MacArthur announced today. The advance by the veterans of Guam in the first 24 hours after their surprise landing in the rear of the Yamashita line exceeded two miles.

At the same time the 7th division to the south pushed up the coast to narrow the gap between it and the 7th to five miles, and MacArthur reported "substantial enemy forces" caught in the squeeze play were facing annihilation.

All along the wide front, over the mountains, in the valleys and along the coast the Americans observed the third anniversary of the war in the Philippines—it was December 8 when the Japanese struck—by moving forward. From the north, the US 32nd division was advancing slowly southward along the road to Ormoc.

To the southeast of Ormoc other troops had reached a point only six miles from the coast. To the south, the US 7th division was pushing northward and had seized Balogo.

Louis Pitacciato Dies in Action in France, Nov. 25

HAYESVILLE, Dec. 8—PFC Louis Pitacciato, U.S. army infantry, was killed in action in France, November 25, the war department has notified his wife, the former Eileen Hanson. Mrs. Pitacciato and their small daughter, Lou-Anne, make their home with her parents, Mr. and Mrs. A. L. Hanson, in this community.

Private Pitacciato was inducted in 1941 in Pittsburg, Pa., where his mother lives. Three brothers and one sister are in the U.S. armed forces overseas. He was stationed two years ago at the state fairgrounds and later was with the 44th division at Ft. Lewis. He was married to Eileen Hanson September 12, 1943.

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U.S. Losses Heavy, Said

LONDON, Saturday, Dec. 9—(AP)—The German radio declared early today that 170,000 American troops were lost in the "great Aachen battle." There was no elaboration of allied confirmation.

Big Steel Furnaces Now Lost

U.S. 3rd and 7th Smashing Along 60-Mile Front

SUPREME HEADQUARTERS ALLIED EXPEDITIONARY FORCE, Paris, Dec. 8—(AP)—The US Third and Seventh armies in a concerted push along a 60-mile front from shell-torn Saarbrücken to the Rhine, hammered today at the Siegfried line guarding Germany's Saar basin and at the outlying defenses of the neighboring Palatinate province.

The Third army's 35th infantry division forced two new crossings of the Saar river near Sarreguemines, at the threshold of the rich industrial basin eight miles southeast of Saarbrücken, and established bridgeheads a half mile deep at both points.

Armor Closing Lt. Gen. George S. Patton's armor closed steadily on Saarbrücken, the political and industrial capital of the Saar, whose big furnaces, turning out a tenth of the steel for the enemy's armies already were considered lost to the Reich.

The US Seventh army, on the Third's right flank to the east, surged forward as much as three miles along a 35-mile front and field dispatches from Associated Press Correspondent Thornburn Wiant said they entered a town four and a half miles from the German frontier.

At this point the Seventh turned its heavy artillery on a mountainous sector of the Siegfried line.

(Field censorship would not immediately permit disclosure of the exact location of this closest advance to Germany yet made by the Seventh.)

Planes Face Attack The doughboy advance, steadily driving the Germans from both the Saar basin and northern Lorraine, was paced by hundreds of fighter-bombers blistering enemy strongpoints in their path.

So close was aerial support that towns bombed in the forenoon were entered by American troops in the afternoon.

The Third army's 90th division was deepening its mile and a half deep wedge in the Siegfried line in the face of persistent counterattacks. Fires blazed in eight Saar valley towns.

Patton's Long Toms and heavy howitzers were wrecking Saarbrücken, where two of the greatest steel plants in the entire Saar valley are located in the suburbs of Brebach and Burbach. It was the ninth consecutive day of bombardment.

Pension Tax Freeze Voted, Sent to FDR

WASHINGTON, Dec. 8—(AP)—Contrary to administration wishes, the senate today sent to the white house legislation freezing the old age pension tax throughout 1945.

The senators voted 47 to 19 in favor of the freeze—not as large a ratio as the 262 to 72 house vote last Monday, but more than the two-thirds needed to override a widely predicted veto. A switch of four votes, however, would doom a motion to override.

If Mr. Roosevelt bows to congress' will, or if the lawmakers override a veto, it will mark the fourth consecutive year that an automatic increase in the payroll levy has been blocked. The rate, now 1 per cent each on employees and employers, will double Jan. 1, unless the bill becomes law.

Bond Sales Pass \$3,500,000 But 'E' Purchases Still Lag

With the momentum generated by the Pearl Harbor celebration still bringing reports of big sales all over the county, Sixth War Bond campaign totals were swelling today well past the \$3,500,000 mark.

Announcement of a "bond premiere" by the Elsinore theatre for next Wednesday night already was boosting E bond sales, although the total still was below a \$1,000,000 against a quota of \$1,500,000. All downtown theatres joined one day this week in giving tickets with E bond sales, accounting for many thousands in additional purchases.

Willamette university trustees boosted the bond total Friday by buying \$100,000 worth of federal obligations. The state added \$3700 to its extensive purchases.

Paulus Brothers cannery went over the top with purchases adding up to \$4,462.75, against a quota of \$4375. Additional reports also are expected from this concern. Oregon Pulp and Paper employees went 150 per cent of their quota. Industrial Chairman Robert Minton reported, and Kay Woolton mills was added to the honor list of over the top firms. Altogether,

13 SHOPPING DAYS LEFT
HELP HIM GET HIS GIFTS EARLY
BUY ORANGE PEELS