

By Charles A. Squire

Kwan Pei Kwan, attache of the Chinese consulate in Portland, gave the Salem Chamber of Commerce a brief and unscheduled lesson in economics at the termination of his address Monday.

The essence of the instruction was that production, not currency, is the basis of our economic system. The amount of gold in the world even if it were in circulation is not the basis. Money, whether as gold or as currency, is merely the convenient medium for the exchange of real values in goods and services.

Of course Kwan might have continued his instruction one point further: America must be ready to receive goods and services from China (products of her land and labor) as payment for the goods and services which America may furnish China.

The United States and other countries are not going to free trade after this war, and no one should fool himself to think they are. The nationalist feelings are too strong.

Under the terms of the American people we ought to be able to frame trade policies which will not give away our domestic market but still will expand our foreign market, though definitely we must expect payment, not in "money" but in the products of labor and land.

Kwan Pei Kwan taught the lesson in few words.

Hitler & Gang To Be Treated As Murderers

LONDON, March 20-(AP)—A demand by the archbishop of York that "the master criminals Hitler and Himmler and their gang" should be killed on the spot when captured was followed today in the house of lords by official disclosure that the war crimes commission already is screening nazi prisoners for trial.

Lord Wright, chairman of the United Nations war crimes commission, arose with a statement that orders had been given to allied armies to hold, not shoot, any criminals they captured. He added, however, that the commission definitely had decided to treat Hitler and other "major criminals as murderers, assassins, thieves, torturers and the like."

Viscount Simon, speaking for the government as lord chancellor, reported lists of criminals were being piled up as the armies pushed deeper into Germany.

2 Salem Men Die in Pacific

One in action and one in aerial accident, two Salem men met death in the Pacific within the past month, their parents were notified this week.

PFC Mervyn Lynn Hurley, son of Mr. and Mrs. Guy Hurley, 2016 Lee st., was killed as he served with the Third Marines on Iwo Jima on March 1.

Lt. Glenn E. Pavey, son of Lulu Pavey, 1140 North Fifth st., was killed on Saipan in an aircraft accident February 23.

U. S. Wants Air Base In Egypt After War

CAIRO, March 20-(AP)—The United States intends to ask Egyptian representatives at the San Francisco conference for a U. S. air base in Egypt after the war, it was reported here today.

The Egyptians reportedly already have been informed of the request and are said to favor it.

Partly Cloudy

today with scattered showers and increasing cloudiness tonight in the mid-Willamette valley area, predicts U. S. weather bureau, McNary field, Salem.

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U. S. Blasts 17 Jap Warships; 3rd, 7th Armies Unite in Saar

Nazi Resistance West of Rhine Virtually Ended

Saarbruecken, Zweibruecken Fall To Patch's Men; Patton's Forces Take Worms in Lightning Stab

By AUSTIN BEALMEAR

PARIS, Wednesday, March 21-(AP)—The U. S. Seventh and Third armies formed a junction in the Saarland yesterday in a great coordinated assault that virtually wiped out the last German resistance west of the Rhine and captured the historic cities of Saarbruecken, Zweibruecken and Worms.

Contact between the two armies was made at a point about 12 miles west of Kaiserslautern by elements of the Seventh army's Sixth armored division and the Third army's 26th infantry division.

Saarbruecken, a city of 135,000 population and the capital and economic center of the industrial Saar, fell to Lt. Gen. Alexander M. Patch's Seventh army as did Zweibruecken, 17 miles to the east.

Ceaseless Air War on Reich Still Continues

LONDON, March 21-(AP)—A powerful force of RAF heavy bombers blasted at oil refineries and other targets in western Germany last night while Mosquitoes made their 29th consecutive night assault on Berlin, the air ministry announced today.

LONDON, Wednesday, March 21-(AP)—RAF Mosquitos attacked Berlin for the 29th consecutive night last night after perhaps 5000 allied heavy bombers during the day had rained explosives on German communications, oil plants and submarine yards while lighter warplanes raked German troops.

The round-the-clock offensive was a continuation of multiple raids yesterday when approximately 8000 allied planes swarmed over Germany and knocked out 5000 nazi vehicles, and a pre-dawn attack on Berlin for the 28th consecutive night by Mosquitos.

Striking at dwindling sources of nazi oil supply, 400 U. S. Eighth air force bombers attacked a natural oil refinery at Hemmingstedt on the Danish peninsula and raided Hamburg's much-battered port and its Blohm-Voss submarine yards where the latest type of U-boats reportedly are being constructed. An oil refinery in the Hamburg area also was hit.

Santiam Near Flood Stage

State police and Red Cross workers were "standing by" today after receipt of the word that the Santiam river near Jefferson was expected to reach a crest of 13 feet, flood stage, by 8 a. m. today.

Local observers at the weather bureau and river station said that no flood was expected along the Willamette, although a slight rise was apparent. River readings late Tuesday, were 8.9 feet at Salem. Flood stage on the Willamette is 20 ft.

The three inter-county ferries in this area, Wheatland, Independence and Buena Vista, were out of operation Tuesday because of high water.

Germany Would Be Left With Working, Balanced Economy

By Flora Lewis

WASHINGTON, March 20-(AP)—The United States officials are reaching agreement on a plan for German reparations, it was learned today which would leave the reich with a functioning, balanced economy.

The question of reparations, to be taken up with Russia and Britain in Moscow soon, is tightly linked to the overall economic policy for Germany.

The amount of reparations Germany will be able to pay depends directly on how much industry the allies decide to leave to the Germans.

Secret Army Film Ready to Show After V-E Day

WASHINGTON, March 20-(AP)—The army has prepared a motion picture for release immediately after V-E day, but it's a secret what it's about.

The fact that there is such a film was acknowledged today by the motion picture bureau of the office of war information. It is under seal in film exchanges throughout the country.

An OWI official said he could not even give a tiny hint of its nature.

Yanks Capture Iloilo Airfield On Panay Isle

MANILA, Wednesday, Mar. 21-(AP)—Maj. Gen. Rapp Brush's 40th division infantrymen captured the important Iloilo airfield on Panay island Monday in a swift eastward drive into the outskirts of the capital city.

Another column spearheading northward 25 miles from the beachhead overran the broad coastal plain, captured the towns of Janhuay, Pototan and Brotac Nuevo and established contact with a strong guerrilla band which had done much to clear the southwest section of the big central Philippine island.

Gen. Douglas MacArthur said in his communique today that the Yanks were "taking full advantage of the enemy's confusion" as they swept rapidly north and east from the beachhead established at dawn Sunday with naval and air support.

Heavy fires were observed in Iloilo, indicating the enemy was putting the torch to the city of 60,000 inhabitants.

Molalla Struck By 36 Cases Of Diphtheria

MOLALLA, Ore., Mar. 20-(AP)—An epidemic of diphtheria which tonight had struck an estimated 36 persons in this small town brought closure of the grade school, the theatre and a warning from health authorities to shun public gatherings.

Dr. Dan P. Trullinger, Oregon City, Clackamas county health officer, said laboratory cultures established 19 cases and that clinical diagnosis indicated 17 more on which cultures were awaited.

Dr. Trullinger said the epidemic struck a wide age range, some in their sixties and the youngest three years old. Several families had more than one member ill.

The health official stated he could not discover any public gathering which might be suspected as the cause. Molalla had a census of 986 in 1940, but defense work has increased the population.

Hospital Name Is Approved

The board of governors of Salem Deaconess hospital voted unanimously Tuesday night to name the new hospital to be constructed on South Winter street the "Memorial" hospital. They approved also plans to offer organizations and individuals the opportunity to memorialize persons and movements through gifts to the institution.

Civic and patriotic organizations will be invited by the public relations director to the hospital, on authority given by the board of governors, to name representatives to a board to sit in with the governors as a planning council.

De Gaulle Demands Arms for Indo-China

PARIS, March 20-(AP)—Gen. De Gaulle, speaking before the consultative assembly, demanded today that the allies drop arms to French troops fighting the Japanese in the mountainous jungles of upper Laos, west of Hanoi in Indo-China.

De Gaulle asserted the French would hold out until relieved and declared: "I insist that arms and munitions be parachuted to them."

Altdamm Falls To Russians

Soviets Wipe Out Nazi Bridgehead Opposite Stettin

LONDON, Wednesday, Mar. 21-(AP)—Russian troops wiped out the Germans' powerful bridgehead on the east bank of the Oder river opposite Stettin yesterday and laid the flaming Pomeranian capital open to a final assault by capturing its last outpost of Altdamm, 70 miles northeast of Berlin, Moscow announced last night.

Far to the east other Soviet forces, rolling up both ends of the partly-flooded East Prussian pocket southwest of Koenigsberg, captured the ancient bastion of Braunsberg and fought down the last two miles to Heiligenbeil, the enemy's only remaining stronghold there.

Scoring gains of up to five miles the Russians compressed the pocket to 15 miles in length and no more than four miles from the sea at its deepest, swept up to 40 towns and hamlets in addition to Braunsberg, took more than 4000 Germans prisoner and captured upward of 300 guns, Moscow said. At least 5000 Germans were slain.

The Germans said that two powerful Soviet armies had opened new offensives in the south, sweeping through northwestern Hungary within 58 miles of the Austrian frontier on the road to Vienna, and smashing through upper Silesia and across the Moravian frontier into Czechoslovakia. These operations, not confirmed by Moscow, would have the effect of forcing large-scale German withdrawals along the southern end of the eastern front and are aimed at the mountainous area of southern Germany and Austria where the Nazis, according to some reports, may make a final stand after the defeat of their armies on the Reich's northern plains.

Economic Accord Signed

PARIS, March 20-(AP)—An economic accord was signed today by France, Belgium, Holland and Luxembourg, pledging mutual aid in rebuilding their war-torn countries.

FDR Orders Study of Plans Giving Guaranteed Annual Wage in American Industry

By D. Harold Oliver

WASHINGTON, March 20-(AP)—President Roosevelt today ordered a study of plans for a guaranteed annual wage, described by the war labor board as "one of the main aspirations of American workers."

He told his news conference the inquiry—requested by the WLB—will be made by the office board of 12 headed by O'Max Gardner, former North Carolina governor. The board is composed of public, labor, farm and management representatives.

Gardner announced later that the following sub-committee would make the study: Eric Johnston, president of the chamber of commerce of the U. S.; Philip Murray, chairman of the CIO; Albert Gore, head of the national grange, and Mrs. Anna Rosenberg, labor and manpower expert.

At the same conference, held an hour earlier than usual and confined for the first time in months exclusively to domestic phases of the war, the chief executive:

1—Stood by War Mobilization Director Byrnes and his midnight curfew, but indicated he wasn't planning any action against New York for relaxing the ban.

2—Promised a statement Friday on the food situation, saying the country ought to know what's happened.

3—Described as "ifly" a question whether government had any plans to keep the coal mines running in event of failure of the operators and unions to reach a contract agreement.

4—Said it would depend on the individual case a good deal when asked if he favored penalties against workers who fail to get into essential war jobs, as well as against employers who disregard employment ceilings. He added that the government is trying to get manpower the best way it can.

Battle Chief



Adm. Raymond A. Spruance commands the U. S. Fifth fleet which boldly attacked the Japanese fleet in its home waters yesterday.

All Mandalay Falls to Allies; Japs Crushed

CALCUTTA, March 20-(AP)—Mandalay, Burma's second city, fell today to British 14th army troops.

King George VI hailed the conquest as a "notable landmark" of the war in a congratulatory message to Adm. Lord Louis Mountbatten, supreme allied commander in southeast Asia.

The fabled city was secured after British and Indian troops crushed the last, fanatical resistance in thick-walled Fort Dufferin, last Japanese stronghold. Mountbatten said the conquest and the entire Burma campaign was accomplished "against a background of what are perhaps the most difficult lines of communications in any theatre of war."

British 38th division troops, meanwhile, occupied Mogok, the ruby capital of the world which is 65 miles west of Lashio on the Burma road and 65 miles northeast of Mandalay. These troops were driving to clear all of the area north of the Mandalay-Lashio road.

Bold Strike Made In Nippon's Home Seas by Yankees

475 Enemy Planes Destroyed In Carrier Blow; No American Ships Lost, One Badly Damaged

By Morrie Landsberg

U. S. PACIFIC FLEET HEADQUARTERS, Guam, Wednesday, March 21-(AP)—American aircraft flying from the mightiest carrier fleet ever assembled attacked the Japanese fleet in the empire's inland seas Monday in one of the boldest exploits of the war, and damaged 15 to 17 enemy warships, including one or two battleships, and destroyed at least 475 planes.

One of the battleships damaged was known to be of the Yamato class, a 45,000-ton dreadnaught, mightiest in the Japanese navy.

The enemy fleet thus was hit in its home waters for the first time, but no actual engagement between surface units was announced.

Adm. Chester W. Nimitz announced the daring attack today in a communique which said preliminary surveys of damage showed that two or three aircraft carriers, four light carriers, two cruisers, four destroyers and various other war vessels also were included in the bag.

Six freighters were sunk and a number of ground installations were destroyed. Admiral Nimitz said the brilliant raid inflicted "crippling damage" on the Japanese fleet, which was decisively whipped last October in the second battle of the Philippine seas.

Not a U. S. Ship Lost. Although Nipponese flyers made many attempts to bomb the American armada, not a ship was lost. One ship, not identified as to class, was seriously damaged, but is returning to port under its own power. "A few others sustained minor damage, but all are fully operational," Admiral Nimitz said.

The Pacific fleet, whose planes twice routed the Japanese fleet last year, swung northeast after a day of destructive attacks on the enemy airforce on Kyushu, southernmost of the Japanese home islands. One hundred enemy planes were destroyed there.

On Monday, Adm. R. A. Spruance moved ships of his Fifth fleet into position from where Vice Adm. Marc A. Mitscher sent his carrier planes—Hellcats, Corsairs, Helldivers and Avenger torpedo-bombers—in the first seaborne attack on the home bases of the enemy in the Japanese inland sea.

6 Nip Freighters Sunk. The report of the sinking of six small freighters and damaging 22 other ships, the latter mostly combatant vessels, was described as only preliminary. This indicated the likelihood of even greater damage or a revision of types of ships blasted by the Yank bombs and torpedoes.

This is the preliminary report from Admiral Spruance, who was in tactical command of the fleet forces: Sunk: Six small freighters. Damaged: One or two battleships, two or three aircraft carriers, two light aircraft carriers or escort carriers, two escort carriers, one heavy cruiser, one light cruiser, four destroyers, one submarine, one destroyer escort, seven freighters.

Installations Destroyed. American planes also destroyed a large number of installations, including hangars, shops, arsenals and oil storage facilities. At Nagasaki there are additional facilities for fleet anchorage. The bold foray into the heart of Japan's dwindling sea power undoubtedly will mean the erasure of the Imperial fleet as source of opposition in the future.

Carrier planes may have hit enemy ships undergoing repairs of damage suffered in the Japanese fleet's grandiose but unsuccessful three-pronged attempt to break up the invasion of the Philippines at Leyte last October.

New Carrier Is Christened

NEWPORT NEWS, Va., March 20-(AP)—The United States navy received a potent shot in its air arm today with the christening here of the 45,000-ton aircraft carrier Midway, the largest warship ever built.

In christening ceremonies, Artemus L. Gates, assistant secretary of the navy for air, announced that the mighty Midway will carry a type of "1945 model aircraft" so new it has not yet seen combat action.

U. S. Supply of Crude Rubber at Low Ebb

WASHINGTON, March 20-(AP)—The war production board warned tonight that the United States supply of crude rubber will fall 40 per cent below the estimated danger line by the year's end.

The mounting demand for natural rubber in heavy artillery tires will reduce the national stockpile "considerably below" the report stated. One hundred thousand tons is regarded as the lowest margin of safety.

1700 Yankees Arrive Home

NEWPORT NEWS, Va., March 20-(AP)—More than 1,700 American soldiers who served on the western front were returned to the United States disembarked today from a troop transport at the Hampton Roads port of embarkation.

The ship brought 725 wounded, injured and sick men and 1000 rotation troops - soldiers who will be given 30 days leave and then assigned to duty in this country. Each of the nation's 48 states was represented among the ship's passengers.

WU Friends Invited To Ship Launching

Willamette university trustees and alumni as well as students and faculty have been invited to attend the launching of the USS Willamette Victory at Oregon Shipyards in Portland on Friday of next week. Admissions to the yard are offered through the university offices to those who can attend the ceremonies.

Mrs. G. Herbert Smith, wife of the university's president, is to be sponsor for the Victory ship.