



Capital Journal



54th Year, No. 213 Entered as second class matter at Salem Oregon

Salem, Oregon

Monday, September 7, 1942

★ ★

Price Five Cents

FDR Demands Congress Act on Inflation

War Workers Keep on Job On Labor Day

Full Schedules Maintained—Many Donate Earnings to Buy Bonds

(By the United Press)
America, the arsenal of democracy, beat its plowshares into weapons today on its first war-time Labor day in 24 years. Workers in vital war production plants maintained full schedules in turning out the machines to fight the axis and, in many cases, donated their earnings to buy war bonds.

A total of 150 naval ships and 16 merchant vessels will be launched or have their keels laid on the Atlantic, Pacific, the Gulf and the Great Lakes. The ships included an unspecified number of destroyers, submarine chasers, torpedo boats, minesweepers and others.

Traffic Reduced
Only white collar workers, clerks and state and municipal employes and workers in plants ahead of schedule or hampered by raw material shortages took a holiday in the customary American manner. Nearly everyone, however, had time to listen to one of the many addresses by political and labor leaders, most of whom spoke on the theme, "Free Labor Will Win."

The holiday spirit was tempered more by the "work as usual" rule. Rubber shortages and gasoline rationing in the east was expected to reduce the normal traffic death toll.

Most Significant Day
President Roosevelt, who noted that "there has never been a labor day as significant as this one," praised the working people of the nation "for the energy and devotion with which they have met the demands of the present crisis." He predicted stormy days ahead, but said:

"We are certain to be asked for sacrifices. These may be sacrifices of wages increases, crop price increases, profit increases, bodily comforts. All this is little enough for free men to sacrifice in a world where freedom is imperiled."

Labor Leaders Talk
Presidents William Green of the American Federation of Labor and Philip Murray of the Congress of Industrial Organizations both expressed pride in labor's record in radio addresses last night.

"We need no longer pledge that free labor will outproduce slave labor," Green said. "The workers of America actually are doing it."

"We can never be satisfied," said Murray, "until we have produced the last tank, the last warplane, the last warship and the last gun that we must have to crush the axis."

Half a Ship Brought To Australian Port

Melbourne, Australia, Sept. 7 (U.P.)—Ten heavy bombing planes worth upwards of \$175,000 apiece, 12,000 tons of war material and 1,000 tons of fuel oil have arrived at an Australian port, and in their wake came one half of the American freighter which brought them to Australia only to be wrecked.

Australian soldiers with seafaring or stevedoring experience did the job, one of the biggest salvage operations of the war. The ship broke in halves when it went on the rocks, and the halves were 200 feet apart. The 200 soldiers went aboard, lived on the forward section, emptied both halves and brought one half of the ship to port.

No Americans Killed
Cairo, Sept. 7 (U.P.)—American army headquarters confirmed today that no Americans were killed in recent tank battles on the Egyptian desert. Some were wounded slightly.

Americans Stage Daylight Bombing Raid

Flying Fortresses Follow Up Yesterday's Smashing of Duisburg

London, Sept. 7 (AP)—American flying fortresses bombed shipyards at Rotterdam and railway yards at Utrecht in Holland today, it was announced tonight.

London, Sept. 7 (AP)—Flying fortresses escorted by aircraft of the fighter command operated over enemy-occupied territory this morning, it was authoritatively reported late today. The fortresses presumably were manned by Americans.

The heavily-armed, four-motored bombers crossed the English coast, heading toward German positions on the continent, in broad daylight, continuing an offensive which has sharply challenged German air fighting forces.

The enemy was reported to be bending every effort to crack down on the fortresses because of the remarkable success they have had.

Fortresses Targets
"Aside from the fact that the precision bombing of the fortresses is causing heavy damage," said an authoritative source, "Germany cannot allow the legend of invincibility to grow up around them without severely damaging the morale of the Luftwaffe."

"That's why they are making every attempt to block the American raids."

The United States army air forces staged their greatest daylight raids on Nazi-occupied France yesterday and by night the RAF smashed at Duisburg, Germany's great inland port at the junction of the Ruhr and Rhine rivers, and elsewhere in the industrial Ruhr.

Two Fortresses Lost
For the first time in nine daylight raids against the continent, the American squadrons of flying fortresses returned with gaps in their ranks—for two of the bombers were missing.

In the succeeding night raids, the British reported eight of their aircraft were missing. A ninth RAF craft was lost in today's operations.

Duisburg is a great industrial city, with large metallurgical manufacturing plants; a center for the shipment of coal, and a hub of railway as well as water traffic.

The blow against it and the nearby Ruhr area was the fifth against Germany by the RAF in the first six nights of this month.

Night Air Raid
(Concluded on page 10, column 5)

Highest Mark in Four Years at County Jail

Population of the county jail reached the highest mark for four years today following rushing business over the week-end and in spite of the fact that four men were removed from the jail roster last week and sent to the state penitentiary.

Largest single accession of the week-end were three men brought from Oregon City Sunday by Sheriff Burk and held under a charge of using profane language as result of an alleged fracas at a Woodburn auto camp about 3:30 Saturday morning.

The auto camp proprietor told officers that the men showed up at the early hour and asked for a cabin which he was preparing for them when they became noisy and disorderly, awoke some of the guests at the camp, and when told to leave refused to go. As a result trouble started and the men left, it was stated, after the proprietor allegedly broke a hoe handle on one of them. They were booked as James Smith, Jack Kenworthy and Tom Brown.

Harvey Sullivan, Portland, was left at the jail by state police after his arrest at the Oregon

Railroads To Abandon Branch Lines

Vale, Ore., Sept. 7 (U.P.)—Mass abandonment of many branch line railroads and seldom-used spurs throughout the northwest was hinted here today after hearings on applications by the Union Pacific Railroad to discontinue operation of the Vale-Brogan branch line.

Union Pacific Attorney R. C. Collins told members of the interstate commerce commission that surveys were being made preliminary to possible abandonment of from 50 to 75 little-used routes in Oregon, Idaho and other states.

Collins said the purpose was two-fold, mainly to "fill war agency requests for all available steel from salvaged rails," with the secondary issue concerning abolition of routes failing to pay their upkeep.

Cuba Signs Pact With U. S.

Washington, Sept. 7 (AP)—Cuba and the United States signed today a military and naval agreement coordinating special measures which have been taken by the two countries since the beginning of the war.

Details were withheld for reasons of military security. A state department announcement explained that it "outlines the respective responsibilities of the armed forces of the two countries in the zone affected and provides for coordination of their efforts and complete cooperation on the basis of reciprocity."

It was further explained that the agreement would facilitate, for the duration of the war, new measures of military and naval security by the respective armed forces as necessary arises and without the need for individual negotiations in each case.

The agreement was signed in Havana by United States Ambassador Spruille Braden and the Cuban minister of state. Cuba is one of the 12 American republics now at war with the axis.

Wadsworth Offers Youth Draft Bill

Washington, Sept. 7 (AP)—Senator Wadsworth (R., N.Y.), co-author of the original selective service act, introduced legislation today to lower the draft age to 18 years, two years below the existing minimum.

The measure would permit any youths drafted during the last half of a school year to be deferred until the end of the academic year.

It would not alter the present maximum draft age, 45 years.

3 Jap Planes Lost in Attack On Solomons

Positions on Guadalcanal Raided—Fighting Continues in New Guinea

Washington, Sept. 7 (AP)—The navy announced today that American fighter planes in the Solomon Islands shot down two enemy bombers and one enemy fighter last Saturday when the Japanese attacked American positions on Guadalcanal and succeeded in inflicting "minor damage."

The attack was the latest in a long series of Japanese air raids on the American-held Guadalcanal-Tulagi area and the enemy's losses in this case raised to at least 122 the total plane losses he has suffered there since the marine-navy invasion of the area started a month ago today. The navy gave no other details of the latest air attack.

Japs Forces Struffed

Gen. MacArthur's headquarters, Australia, Sept. 7 (U.P.)—Swift allied fighter planes carrying small bombs swooped down on Japanese positions in the jungles south of Kokoda three times yesterday, spraying machinegun bullets and bomb fragments among enemy units threatening the allied base at Port Moresby, 80 miles to the west.

Allied ground forces, fighting the Japanese in these jungles of southeastern New Guinea, have frustrated all their attempts to break through to a pass in the Owen Stanley Mountain range which would lead them to Port Moresby. No new developments in the ground fighting were reported.

Like Game Hunting

Soldiers returning from the Kokoda region said the fighting there was a grim game of hunting an enemy seldom seen and being fired upon by Japanese snipers so perfectly camouflaged they blended into the jungle scene.

The allied planes were not opposed in the strafing expeditions over Kokoda yesterday, it was said.

Heavy allied bombers attacked a Japanese cargo ship off the southeast coast of New Guinea, but the results of the attack were not known. The vessel may have been trying to take supplies to Japanese troops in New Guinea.

Other fronts under Gen. MacArthur's command were quiet, but Australians at Milne Bay continued their dangerous task of mopping up remnants of Japanese invasion forces which walked into an ambush there.

Von Bismarck Killed in Action

Cairo, Egypt, Sept. 7 (U.P.)—Maj. Gen. George von Bismarck, commander of the crack German 21st tank division, has been killed in action on the Egyptian front in the fighting which resulted in the defeat of Field Marshal Erwin Rommel in the first phase of the fall offensive, German prisoners said today.

He was a first cousin of Prince Bismarck, founder of the modern German empire.

He took over the 21st German armored division, one of the two German panzer corps on the African front, when its former commander, Gen. Ravenstein, was taken prisoner in Libya months ago.

Employees Against CIO Affiliation

Sweet Home, Sept. 7 (AP)—McDowell Creek Logging company employes will remain without union affiliation, John E. Hedrick, NLRB representative, said Saturday.

He said the employes had voted by a substantial margin not to join the CIO.



Patrol Has Narrow Escape—An enemy shell bursts near a Bren gun carrier in this British official photograph from the southern sector of the Egyptian battle front. This picture was radioed to New York from Cairo. (Associated Press Photo).

Rommel Back At Starting Point

Cairo, Sept. 7 (AP)—The confident push which Field Marshal Erwin Rommel launched a week ago with the apparent hope of reaching Cairo within a week has ended with his axis armies beaten back to their starting point under a series of heavy allied blows by land and by air. Behind them the axis forces left the desert strewn with wrecked tanks and transport vehicles—losses which observers said today had so crippled Rommel's striking power that he would have to pause and reorganize before striking again.

Throughout yesterday, a British communiqué said today, British mobile forces continued to harass the withdrawing enemy troops and slashed at the few tank units still remaining within the allied minefields.

A slight increase in air activity was noted, but there was no mention of large scale action.

The immediate threat to the Nile valley thus appeared to be dissipated for the moment, though military quarters warned that the decisive battle on which the ultimate fate of Egypt may hinge is still to be fought.

There was no question here, however, that Rommel had thrown his full strength into the offensive in an attempt to crush the British eighth army which had been augmented on the ground by U. S. army tank forces.

Launch 16 Ships In Northwest

(By the Associated Press)
Joining with shipyards throughout the nation in a mass launching of boats that will see a total of 174 new ships go down the ways and the keels of 49 others laid today, Oregon and Washington shipyards will launch 16 ships and lay the keels of four others.

The vessels and the place of launching include:
Oregon: launchings—two subchasers, one liberty ship, at Portland. Keels—two subchasers, two sea-going tugs, at Portland.

Washington: launchings—eight unspecified craft, at Seattle, Tacoma and Bellingham; one naval tanker, one escort carrier, one minesweeper, at Tacoma; one destroyer, one wooden cargo barge, at Seattle.

7 Axis Ships Sunk In Mediterranean

Headquarters, Mediterranean Fleet, Sept. 7 (U.P.)—Rear Admiral Sir Henry Harwood, commander in chief of the British Mediterranean fleet, said today that British submarines were taking a heavy toll in raids on axis supply lines to the Egyptian desert.

Seven axis merchantmen, five of them large, have been sunk and five others damaged, he said.

Germans Again Driven Back At Stalingrad

Soviet Defenses Hold In 72 Hour Attack by 750,000 Nazis

By Henry Shapiro

Moscow, Sept. 7 (U.P.)—Soviet defenses on the near southwest approaches of Stalingrad and the Volga river line quaked today beneath the pounding of 1500 German dive bombers and fighter planes and tanks assailing in herds of hundreds.

The Germans had not advanced in 72 hours against the gallant defense of Russian soldiers, marines and a people's army.

But huge German reinforcements of planes, tanks and infantry, after 60 hours of continuous, costly assaults, finally made another penetration of Soviet lines on the southwest.

Germans Outflanked

The noon communiqué said, however, that the Germans had been outflanked, and forced to retreat, restoring Russian lines to their original position.

Perhaps 750,000 Germans were assaulting on the southwest and northwest approaches to Stalingrad, and front-line dispatches said the almost unprecedented liberality with which the enemy was using planes and tanks indicated that he believed the battle was in its last round.

On the northwest approach, the Russians struck back violently and improved their positions.

To Knock Out Artillery

The German strategy southwest of Stalingrad now was to knock out Soviet artillery, the backbone of the defense. To this end they attacked more frequently than ever before with planes and tanks. They were estimated to have increased their dive bomber and fighter strength on this sector to 1500, the greatest concentration, perhaps, on any one point since the war began in 1939.

Their massive air superiority enabled them to subject Russian positions to heavy bombing, day and night.

Double Duty

Dispatches said the situation was so critical that anti-aircraft were doing double duty—against planes and tanks. At one point, hundreds of tanks tried to break through. Anti-aircraft gunners trained their sights and put 45 tanks and 10 armored trucks out of commission.

In some phases of the battle enemy tanks surrounded gun emplacements and almost reached the gunners, who were able, just in time, to wreck the tanks with rapid fire.

Special dispatches reported one resounding Russian success in the Mozdan area of the eastern Caucasus, where the Germans had broken across the industries.

Brett Back From Australia

Philadelphia, Sept. 7 (U.P.)—Lieut. Gen. George H. Brett, commanding general of the allied air forces in Australia, has returned to the United States and will address a Labor day rally here today, the regional war office of information announced today.

General Brett will take the place of Lieut. Gen. H. H. Arnold, chief of the U. S. army air forces, who "is held in Washington by a vital and unexpected conference," the OWI said.

"This is the first announcement of General Brett's presence in this country," the OWI said.

General Brett flew in "from directing the devastating allied air attacks in the southwest Pacific" for high command conferences in Washington, the OWI said. "This is his first public appearance since then."

Hurled Knife Kills Bobcat on Road

Enterprise, Sept. 7 (AP)—The impact of Max McKenzie's automobile failed to kill a wildcat on a highway near here, but McKenzie got the cat.

He jumped out of the car and threw a hunting knife straight into the bobcat's heart.

Act by October Or War Powers To be Invoked

Wants Over-All Stabilization of Prices, Salaries, Wages and Profits

Washington, Sept. 7 (AP)—President Roosevelt demanded today that congress legislate by October 1 to stabilize the cost of living, including farm prices, with a blunt warning that otherwise he would invoke drastic war powers to act himself.

The president's long-awaited message on the inflation problem recalled the seven-point program he presented April 27 to curb rising prices and reapproached congress for inactivity on the two points in its field—"an adequate tax program and a law permitting the fixing of price ceilings on farm products at parity prices." He will deliver a fire-side address at 6:30 p.m. over all net works.

Executive Action

The other points of the program which did not require congressional action he reported were being carried out by executive action.

He implied a threat to extend his executive action to cover the whole program, unless congress acted with the forthright declaration:

"In the event that the congress should fail to act, and act adequately, I shall accept the responsibility, and I will act."

Bluntly, Mr. Roosevelt told the legislators in a special message that unless they acted he would accept the responsibility to act himself and "take measures necessary to avert a disaster which would interfere with the winning of the war."

Economic Chaos

"Inaction on your part," the president said, "will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperilled by threat of economic chaos."

Mr. Roosevelt pictured farm prices as a key to the inflation riddle. He said the purpose should be to hold them at parity or at levels of a recent date, whichever is higher.

Explaining why he wanted congress to pass an anti-inflation act by October 1, the president said that "we can not hold the actual cost of food and clothing down to approximately the present level beyond October 1" and no one could give any assurances that living costs could be held

(Concluded on page 10, column 1)

Major Points in President's Message

Washington, Sept. 7 (U.P.)—Major points in President Roosevelt's anti-inflation message to congress: Congress must pass legislation by Oct. 1 to put lower ceilings on farm and food prices or the president will take action by executive action at the same time that farm prices are stabilized. Nature of this stabilization not stated.

Unless action is taken, the actual cost of food and clothing cannot be held down to approximately the present level beyond October 1.

Existing restrictions upon established price ceilings for farm products provide "fuel for fires of resentment against farmers as a favored class."

Congressional delay in enacting an adequate tax program and a law permitting fixing of farm price ceilings at parity "has now reached the point of danger to our whole economy."

If cost of living continues to rise at present rate, "it will be unjust, in fact impossible, to deny workers raises in wages which would meet at least a part of that increase."

Government will continue to encourage free collective bargaining between employers and workers, but will see to it that wages are kept in balance with the rest of the economy.

The president will use every power vested in him to "accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat."

When the war is won, "the powers under which I act automatically revert to the people—to whom they belong."