

Red Armies Near Rumania in South and Lwow, Poland in North

Hitler Sets-up Puppets Regime Over Hungary

Horthy and Ministers Removed and Sent Germany as Hostages

London, March 21 (AP)—Hungarian sources said today that the Germans, swiftly completing the occupation of Hungary, have set up a puppet regime in Hungary, Premier Nicholas Kallay and Foreign Minister Jenő de Ghyrcy to Germany.

(Private advices from the continent said today that after German occupation forces had set up a puppet regime in Hungary, Gestapo agents and storm troops took over Budapest and arrested more than 600 prominent Hungarians in a city-wide roundup. Armed forces were reported clashing along the border of Hungary and Rumania, where the smoldering hatred of the axis satellites was rekindled by the German occupation, against only negligible resistance.)

Though the Germans cut all Budapest's communications with the outside world, roundabout reports reaching London said some 150,000 German troops occupied all strategic points in Hungary in a week-end coup designed to forestall a Hungarian peace move and prepare for a last ditch stand behind the Carpathians against the approaching red army.

Fighting Reported

Scattered fighting was reported, but the clandestine radio Atlantic reported that German troops firmly held all important railways, radio stations, telephone exchanges and government buildings.

Hungarian quarters in Stockholm said Franz Basch, German minority leader in Hungary, formed a pro-Nazi government after former Premier Bela Imredy, leader of the radical rejuvenation party, had refused a German request to appoint a cabinet.

Cabinet Deported

The latest official communication received at the Hungarian legation at Stockholm, Hungarian sources in the Swedish capital said, reported that Horthy, Kallay, and Ghyrcy had been forced to go to Germany.

Horthy was believed to have been seized while at Adolf Hitler's headquarters at Potsdam in Lwow. An exchange telegraph dispatch from Zurich said a Hungarian diplomat in Berlin informed a colleague that Horthy arrived at the headquarters Saturday with Gen. Helyi Szombathy, chief of the Hungarian general staff.

The two leaders conferred, the dispatch said, with Hitler, German Foreign Minister Joachim von Ribbentrop, and Marshal Wilhelm Keitel, supreme commander of the German armed forces, who demanded:

1. General mobilization of the Hungarian army under German supervision.
2. Reorganization of the Hungarian army on the Rumanian pattern with German liaison officers with each regiment.
3. Hungarian railway and Danube river traffic be placed under a mixed general staff of Hungarian and German officers.
4. Placing of Hungarian food reserves in a general pool for equal distribution of all food supplies to axis countries.
5. Establishment of censorship and press control on the German pattern with a ban on printing or broadcasting news originating with non-axis news agencies.

Sustained Yield Bill Passes House

Washington, March 21 (AP)—Legislation to authorize government agencies to cooperate with private interests to set up "sustained yield forest units" to perpetuate the nation's forests was passed today by the house.

The bill (S 250) was returned to the senate for concurrence in clarifying amendments.

The measure, introduced by the late Senator McNary (R., Ore.), authorizes the agriculture and interior departments to establish, in cooperation with private owners, sustained yield units under which forest land would be subjected to coordinated management as to rate, manner and time of cutting.

Of the measure was called up out of order and passed at the request of Rep. Ellsworth (R., Ore.).

Capital Journal

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Nazis Fight Way Back to Ruined Cassino Hotel

With the Fifth Army at Cassino, March 21 (AP)—German troops fought their way back into the wrecked Continental hotel today. Enemy defenses in the southwestern part of Cassino and in the hills behind stiffened as Lt. Gen. Richard Heidrich, commander of the first German parachute troop division, tried to make good his boast that he would throw the allies out of Cassino.

New Zealanders immediately went back to their old task of trying to knock the Germans out of the Continental.

Get Reinforcements

German troops apparently moved back into the hotel in the darkness of early morning, and brought in more reinforcements to block the passage through the southwestern corner of the town.

The Germans also seemed to be filtering troops from the monastery atop Mt. Cassino down into the hill positions which they were holding so stubbornly.

"Fierce fighting continued for the fifth day for possession of Cassino and vicinity without a decision," a headquarters officer said. "Within the ruins of the town the enemy succeeded in bringing up reinforcements Sunday night and mopping up has been slow."

Still Holding Out

Although two tanks which the Germans had placed in the lobby of the Continental hotel were knocked out and 180 prisoners taken there, the Germans still were holding out in that area.

The Germans also clung firmly to positions on the slopes of Monte Cassino overlooking the town, including the strategic point they regained in a counterattack Sunday. It was announced, and are laying a heavy artillery fire on allied troops from these places.

Hemmed in by these and other enemy positions in the vicinity and by the Rapido and Gari rivers, the 5th army forces have little room in which to maneuver. Only frontal attacks are possible since the German positions cannot be outflanked.

Fighting Continues

Three enemy counterattacks on one ridge on Monte Cassino held by the allies were repulsed and three other points remained in 5th army hands despite German attempts to take them.

Desperately needed emergency medical and food supplies were dropped to allied troops clinging to positions half way up Monte Cassino. The supplies were carried by A-36 invaders that skimmed over the area and successfully 96 parachute bundles dropped.

On the beachhead British troops made two successful raids in force on enemy positions near the western end of the perimeter, inflicting heavy casualties. Sharp patrol clashes occurred on the 8th army front.

27 More Jap Ships Sunk in Pacific Waters

(By the Associated Press)

The sinking of at least 27 Japanese ships was announced today by allied headquarters—22 of them by submarines—as indications mounted that one of Japan's by-passed fortresses in the Marshall Islands was about ready for the final assault.

American submarines accounted for 15 ships in Pacific and far east waters, the navy announced, bringing to 642 the number of Japanese vessels sunk, probably sunk or damaged by undersea craft.

Included in the American submarines' toll were two transports, two tankers and 11 freighters.

Off Dutch Indies

Seven ships were sunk and three damaged by submarines off islands in the Dutch East Indies, the British admiralty said. A large river steamer, a smaller vessel of undesignated type and a supply ship were the only victims specified.

A five-ship convoy, including two transports and three corvettes, got within sight of Japan's bomb-battered base at Wewak, New Guinea, before it was obliterated by more than 100 Fifth Air Force planes in a furious four-day battle.

In the central Pacific, Adm. Chester W. Nimitz brought in his mighty battleship guns to assist carrier-based planes softening up Mill Atoll, once one of Japan's strongest bases in the Marshalls.

Assault on Mill

Continuance of the Mill assault was indicated by the fact that Nimitz, in announcing the combined battleship-carrier plane attack last Sunday, lifted for the first time in more than a month his policy of not designating raid targets in the eastern Marshalls because allied positions in the western and central Marshalls have cut the Japanese communication lines and Tokyo might not know all the details of the eastern Marshalls condition.

Pilots returning from the Wewak convoy battle estimated about 1,500 Japanese were killed or drowned. The convoy apparently was attempting to sneak into Wewak with reinforcements.

Wewak Bombed

While planes poured 113 tons of bombs into Wewak's defenses during the ninth consecutive daily attack, destroyers steamed boldly into Wewak's harbor to shell shore installations.

Other planes hit Rabaul, New Britain, with 60 tons of fire bombs and raided Ponape, in the eastern Caroline Islands, and five targets in the Marshalls.

Tenth Traffic Victim Recorded

Portland, March 21 (AP)—Portland recorded its 10th traffic fatality today with the death last night of Verna Berquist, 32, Portland, who was injured fatally when the automobile in which she was riding collided with a truck.



Eisenhower Inspects British "West Point" (AP)—General Dwight Eisenhower, supreme allied commander in the European theater (center, front line), inspects a line of tanks during his tour of the British "West Point" Sandhurst military college. He is accompanied by British officers.

Crater of Mt. Vesuvius Explodes Burying Villages

By Eleanor Packard

On the Slopes of Mt. Vesuvius, March 21 (AP)—The volcanic crater of Mt. Vesuvius exploded with a terrifying roar tonight, blanketing the countryside for 10 miles around under a pall of smoke and burying two mountain villages beneath tons of flowing lava. At 4:30 p.m. I saw a huge column of flame-specked smoke whoosh up out of the crater and soar 5000 feet into the air, where it billowed out, showering the mountainside with rocks and ashes.

The smoke spread as far north as Naples, 10 miles away, halting all traffic in the streets there, and blanketed the ruins of ancient Pompeii, which was buried in the volcano's greatest eruption almost 1800 years ago.

The unexpected flareup indicated that the eruption, which began last Friday, was worsening, and allied military authorities announced that more than 14,000 additional men, women and children were being evacuated hurriedly from the northwestern slopes.

The village of San Sebastian already was buried under the 70-foot wall of lava flowing down the mountain, and the neighboring hamlet of Massa Di Somma was virtually obliterated.

More than 550 rescue workers, consisting of Anglo-American soldiers, Royal Air Force, American Air Force, military police and carabinieri hastened the evacuation of Cercola, a town of about 7,000 population at the foot of the northern slope of Vesuvius.

Allied military government officials announced that all persons already have been evacuated from the villages of San Sebastian and Massa Di Somma. The force of the flow showed no signs of slackening, although it was cooling rapidly as it spread over the mountainside, resembling a huge pile of slag spilling out red-hot coals as it advanced.

More than 200 military vehicles, starting work at dark last night in the ruddy glow of the volcano, had completed the evacuation of the two towns in 10 hours, authorities began moving the population of the village of Cercola, which is lower down the slope.

Emergency food stations and rest points have been established to take care of the increasing number of refugees.

Russia Rejects Liberty Ships

Seattle, March 21 (AP)—Russia, the Post-Intelligence stated today, has refused to accept delivery of 28 American-made Liberty-type ships "until the United States spends more than \$4,000,000 to correct structural weakness."

"The 28 freighters, most of them built in west coast shipyards, have been ordered to Vancouver, B.C., where two Canadian yards will undertake to make them acceptable to the Russians," the newspaper declared.

"At a cost ranging from \$100,000 to \$200,000 per vessel, addition of a double shell plating along the sheer strake, plus an expansion-type of reinforcing in the interior of the hulls, is now underway in the Burrard drydock and at North Vancouver ship repairs."

"The yards," the Post-Intelligence stated, "are acting on orders from Empire Shipping Company, Ltd., a Canadian lend-lease operation."

The newspaper said a maritime commission spokesman declared the strengthening was required because the ships were destined for use in cold waters.

Florists Join in Delivery Plan

Portland, March 21 (AP)—The office of defense transportation announced today that 40 florists in the Portland metropolitan area had agreed to participate in a joint action delivery plan that would save 175,000 automotive miles yearly.

They will in most cases use common carrier local delivery service in place of their own delivery vehicles.

Rocket Coast Again Bombed By Liberators

London, March 21 (AP)—Britain-based American Liberators heavily bombed the Pas-de-Calais "rocket coast" area across the channel today. It was the second heavy attack on that sector in three days.

The Liberators, force, apparently not large, took advantage of a solid overcast to thwart anti-aircraft opposition that had been heavy last Saturday, and the first bombers back today reported little ground fire and no Nazi fighters.

"It was the kind of mission you stand around and dream about," said Lt. Florio George, Pomona, Calif., pilot of "Ford's Folly," who finished his tour of operations.

This was the 19th assault by U. S. heavy bombers on that mystery region since the day before Christmas.

RAF heavy bombers in small force struck the Angouleme explosive works in southern France last night in a continuing nocturnal campaign against specialized enemy factories, while Mosquito planes bombed western Germany for the eleventh straight night.

German resistance was negligible and not a plane was lost. Angouleme is 60 miles northeast of Bordeaux.

Bergerac Bombed

It was the second blow against an explosive works in three nights. Six-ton "factory busters" were dumped on a plant at Bergerac in the same area Saturday night.

Other objectives hit in this specialized campaign have been the Michelin rubber factory at Clermont-Ferrand, bombed March 18, a bearing factory in southern France struck March 10, and a precision instrument plant at Hengelo, Holland, hit by Mosquito bombers by daylight Saturday.

Frankfurt Target

American Flying Fortresses and Liberators described by a U. S. strategic air force announcement as in "medium sized" force, attacked military targets in the Frankfurt area of Germany yesterday as the highlight of a day that saw between 1,600 and 2,100 allied planes cross the channel.

A U. S. communique last night said six American bombers and eight escorting fighters failed to return from the 400-mile round-trip to the enemy airfield. Few enemy aircraft were encountered, but the fighters brought down four.

Silverton Cannery Sale Confirmed

Silverton, Ore., March 21—Sale of the Silverton Canning company, including the building, to the Salt Lake City concern, the name not being disclosed here, was officially confirmed today.

The manager of the Silverton plant, which is family owned, is Roy Wallin, who is in San Francisco on business this week. None of the deal was handled locally.

During the canning season the plant normally employs several hundred people.

Finland Affirms Rejection Of Russia's Armistice Terms

Stockholm, March 21 (AP)—The Finnish government affirmed today its continued desire for peace with Soviet Russia but declared firmly that it could not accept the armistice terms dictated by the Kremlin. The declaration, embodied in a long communique giving the Finns version of their attempts to get out of the war, all but extinguished hopes of further peace negotiations between Helsinki and Moscow, for the Russians, the bulletin said, have declined to modify their original terms.

The Finnish stand apparently was predicated on the thesis that the Russian terms—which involved the withdrawal of Finnish troops from their present positions as well as internment of all German armed forces now in Finland—were not consistent with the demands of national security.

The communique said the Finnish government regretted that the Russians had not given Finland "an opportunity to express their own viewpoint before accepting the terms."

"Although Finland's government still aspires seriously for reestablishment of peaceful relations, it, however, cannot accept in advance these terms, which deeply affect the existence of the whole nation without even getting any safe assurance of the interpretation and meaning of the conditions," the bulletin said.

The Finnish press expressed divergent views as to whether the government's stand left room for hope of peace.

Reds Expand Dniester Crossing Capture Main Bessarabia Road And Smash Rumanian Divisions

Germans Retreating Into Rumania As Drive Is Speeded Up All Along Front—German Black Sea Convoy Destroyed in Crimean Ports

Moscow, March 21 (AP)—The red army had driven to within 50 miles of the Rumanian border after capturing the highway leading westward from Soroki in Bessarabia and smashing two Rumanian divisions hurled into the gap in the Nazi defenses, front dispatches said today.

(Moscow considers the Prut river the current Rumanian border. The Russians in 1940 took over Bessarabian areas which previously had been part of Rumania.)

The Russians, who have swarmed across the Dniester river into Bessarabia on a 31-mile front, have been able to bring tanks and heavy artillery across in strength on German pontoons captured in Yampol. Maj. Ogir Agibalov reported in a field dispatch to the army newspaper Red Star.

The dispatch added that the Dniester crossings have been expanded and several more communities captured. Red Star said German planes were attacking the Dniester crossings, but indicated the Nazis had no hope of halting the Soviet advance because of the large number of bridges thrown across the stream.

Pressing on from Soroki, the Soviets got a good grip on the highway, the dispatch said.

At the upper end of the Bessarabian front, the Russians were reported poised for a new great thrust after the capture of Mogilev-Podolski, major base on the east bank of the Dniester, which fell to the red army Sunday.

Far to the north of these operations, the 1st Ukrainian army under Marshal Gregory Zhukov was only 57 miles from Lwow, in pre-war Poland, and within sight of the city of Brody.

It was not clear whether the Russians planned to storm Brody or by-pass it in their advance on Lwow.

Surging on Lwow

Soviet forces were reported surging on toward Lwow, big German rail hub in old Poland, in a continuation of a push which yesterday swept up Korsh, 56 miles to the northeast, and 49 other villages.

A Soviet communique announced that 115 localities, including Vinnitsa, Nazi Ukraine stronghold 60 miles northeast of Mogilev-Podolski, were seized yesterday along a 500-mile front from old Poland to the Black Sea. Mogilev-Podolski, major base on the east bank of the Dniester, fell to the Russians Sunday, it was also announced.

The Balkan cauldron continued to boil with repercussions of the Russian smash into old Rumania as the Hungarians were reported resisting German forces engaged in taking over their homeland in an effort to halt the Rumanian onrush.

Rumanians Defeated

In the Novo-Ukrainka sector, north of Odessa, the Russians overwhelmed two Rumanian trench lines and quoted prisoners as saying the Germans had shot at least 170 Rumanians for failing to hold. More than 34 localities were taken south of Novo-Ukrainka in the drive which is pushing the Germans back on Odessa, the Russians said.

The communique said 11 German planes, including a transport, were sunk by Russian airmen in Crimean ports, indicating that the Nazis perhaps were trying to evacuate the pear-shaped peninsula which has been walled off by the Russians for months.

Only a small number of Germans escaped from Vinnitsa, which was taken after a Soviet unit, in a surprise thrust across the Bug river, entered the town from the south, outwitting the Nazis who expected the main blow from the north, the bulletin declared. Huge stores of war material were captured.

Nazis to Seize Balkan States

Washington, March 21 (AP)—Diplomatic officials here predicted today that full German military occupation of the Balkans will end independent civil government in Rumania, Bulgaria and Hungary.

Along with this will go the long cherished allied hope that one or more of the satellite states would make peace before Nazi divisions overran them.

This prediction, made as German occupation troops marched into Hungary amid reports that a similar fate awaits Rumania and Bulgaria, was based on the causes which led to Hitler's new militarist expansion in southeastern Europe.

Two causes were advanced. One is the steady Russian army drive into Rumania which confronts the German high command with a military crisis in that part of the Russian battlefield. The other is Hitler's fear that at the crucial moment of the campaign for the Balkans, now beginning, one or more of his strategic neighbors would surrender to the allies.

The spread of German military control in the Balkans was not entirely unexpected here. Reports that it was under way occasioned little surprise although some disappointment was evident.

Rumania and Bulgaria at various times in recent months have put forth informal and unofficial peace feelers. These gave rise to the belief here and in London that those countries would desert Germany as soon as they had any hope of avoiding the fate of Italy in becoming an active war theater.

Snell Replies To FDR's Query

Oregon's election laws provide "more complete election opportunity" than the federal soldiers vote bill, Gov. Earl Snell replied today in reply to President Roosevelt's query as to the acceptability of this state.

"The attorney general and election officials are still studying the provisions of the federal act) looking for coordination with the Oregon laws any features which would expedite soldier balloting in this state," Snell said.

The governor indicated that he would give a "yes" or "no" answer to the president's inquiry as soon as this study is completed.

"Under Oregon laws all servicemen and women from this state will be permitted opportunity of casting complete ballots," the governor pointed out, adding that "it is understood however, that air mail service will be provided in delivery and collection of overseas ballots."

"Oregon's legislature and election officials have already taken necessary steps to insure soldier voting but you may be assured, Mr. President, that should subsequent developments indicate the necessity for further action, Oregon will proceed forthwith."

Nazis to Occupy Rumania

Ankara, March 21 (AP)—Formal German occupation of Rumania was believed imminent today after reports reached in Ankara that German divisions—five infantry and four armored—had crossed Hungary and moved into Rumania.

The Weather

Ocasional light rains tonight and Wednesday—warmer. Max. 54, min. 30. Rain, trace. River, 3.