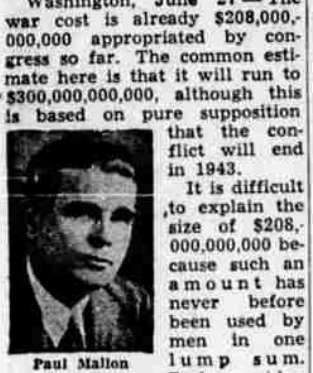


EARLY OFFENSIVE BY ALLIES LOOMS

News Behind The News By Paul Mallon



Paul Mallon

Washington, June 27—The war cost is already \$208,000,000,000 appropriated by congress so far. The common estimate here is that it will run to \$300,000,000,000, although this is based on pure supposition that the conflict will end in 1943.

It is difficult to explain the size of \$208,000,000,000 because such an amount has never before been used by men in one lump sum.

Perhaps the best way to express its vastness is that it represents about two years of labor for every wage earner in this country.

We had 43,047,000 earning units last year, made up of 32,097,000 families and 10,950,000 single employed persons. Their average earnings were \$2,303. The share of each one in the war appropriations made by congress so far would be more than twice as much, roughly \$4,800.

What this will mean to the lives of citizens is beginning to be apparent as the size of the problem becomes clearer. Some few congressmen, debating the historic, unprecedented \$42,000,000,000 army appropriation bill the other day suggested it might mean bankruptcy if expenditures kept piling up, but they apparently had not stopped to figure the real probabilities.

OBVIOUSLY we are going to have a federal debt of at least \$200,000,000,000 at the end of this year, five times the size of the feared debt limit reached in nine years of new deal spending before we entered upon war preparations.

That will be a permanent obligation upon which the treasury will have to pay annual interest. The average interest rate now is 2.35 per cent and before the war the average was 2.4 per cent. (During the first world war it was 4.2 per cent.)

The treasury, while financing these new vast sums, is at the same time hammering the interest rate down. Some expect to get it down to around 2 per cent before the war is over.

If they do, and the entire war debt is no more than \$200,000,000,000, the treasury will have to tax the people \$4,000,000,000 a year after this war merely to pay interest charges—fixed charges, not including any actual cost of government operation.

If government costs run around \$9,000,000,000 as they have been running, the treasury will have to raise \$13,000,000,000 a year from the people to keep going.

THERE are two ways to handle that. One is by inflation, which is a government's way of going into bankruptcy.

Cheapening the value of dollars reduces the cost of its debts and accomplishes a washout of

(Continued on Page Seven)

War Bulletins

London, Sunday, June 28 (P)—The admiralty reported today that the 8,719-ton liner Tanager destroyed a Japanese submarine which it encountered en route home to Britain with a cargo of Australian meat and wool.

Allied Headquarters, Australia, Sunday, June 28—(P)—Allied bombers made light raids last night on enemy installations in Salamua and Lae, in New Guinea, and Tulagi, in the Solomon Islands. General MacArthur's headquarters announced today.

London, June 27—(P)—Fifteen Consolidated B-24 bombers from Egyptian airfields participated in the United States army air force raid which struck at the Rumanian oil center of Ploesti two weeks ago. It was disclosed in London today.

F. R. CHURCHILL PROMISE STROKE TO HELP SOVIET

Victory Outlook Brightens—Early Action Hinted—Exact Plans Secret.

Washington, June 27—(P)—President Roosevelt and Prime Minister Churchill today jointly promised a stroke at Germany which will divert Nazi troops from the Russian front and said the outlook for victory had improved in the last six months.

With Churchill safely back in London, they issued a statement which in addition called transportation the present "major problem" of the United Nations. But it noted that while the U-boat toll in the Atlantic was heavy, ship production was increasing and said new steps against the submarines were planned by the British and American navies.

The statement made no specific mention of a "second front," but nevertheless included a paragraph which provoked an intensive whirl of speculation on that subject.

"While exact plans, for obvious reasons, cannot be disclosed," the statement said, "it can be said that the coming operations which were discussed in detail at our Washington conferences, between ourselves and our respective military advisors, will divert German strength from the attack on Russia."

Many observers concluded that the millions of American and British troops mobilized in the British Isles were to be thrown into an invasion of the Nazi-held continent. Since the project had reached the stage of discussion in detail, some suggested that the day of attack might be very near.

Second Front Hinted

Others cautioned, however, against jumping at conclusions and advanced the theory that the "coming operations," might be confined to intensified mass air attacks upon German cities, such as have spread havoc in Rostock, Cologne and Bremen.

Nevertheless, it was recalled that the White House said when Churchill arrived that it would be justifiable to speculate that the second front would be discussed.

The statement, which was enthusiastically applauded by most members of Congress, went also into numerous other phases of the war situation. The conferences between the two war leaders, it said, covered "very fully all the major problems of the conflict, took full cognizance of our disadvantages as well as our advantages," and did not "underrate" the task ahead.

"We have conducted our conferences with the full knowledge of the power and resourcefulness of our enemies," it said.

A survey of the munitions production situation, it said, gave "on the whole an optimistic picture." Monthly output has not yet reached its planned maximum rate "but is fast approaching it on schedule."

Never before, the war leaders added, have the United Nations "been in such hearty and detailed agreement on plans for winning the war as they are today."

With this they combined an assertion that they "recognize and applaud the Russian resistance to the main attack being made by Germany and we rejoice in the magnificent resistance of the Chinese army." They and their advisors, they said, went thoroughly into the question of methods of relieving China and striking at the Japanese.

OSC ALUMNI MANAGER

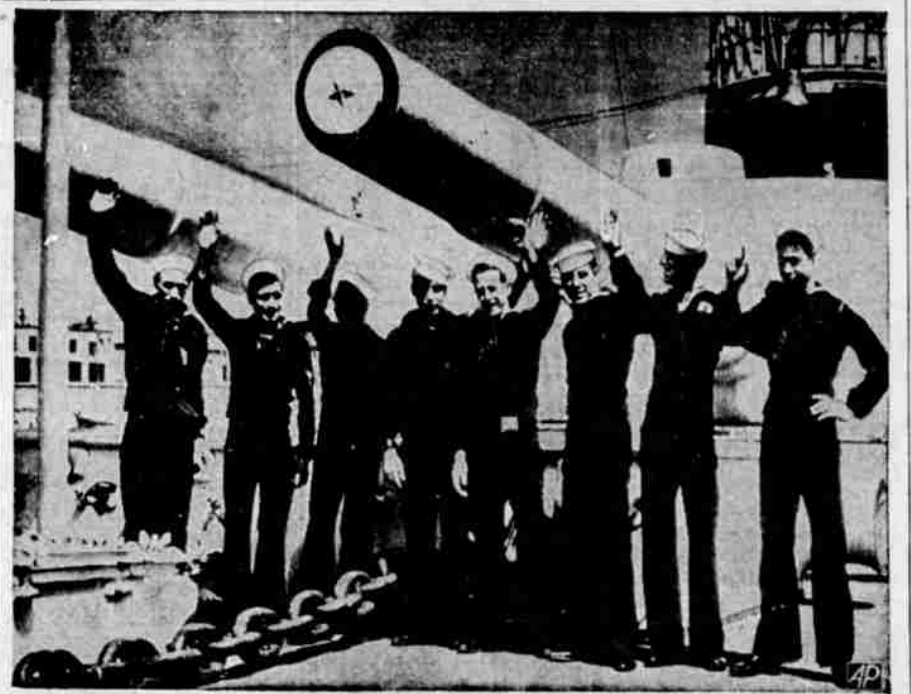
Corvallis, June 27—(P)—The Oregon State College Alumni association's executive board today selected Eunice Courtwright, Alumni Magazine editor, as acting association manager.

SHELL SOUVENIRS \$10

Astoria, June 27—(P)—Shell fragments from the Japanese submarine bombardment of the Oregon coast near here Sunday night are selling at \$10.

Ace Nazi Saboteurs, Off U-Boats, Caught by F.B.I.

Seven Pattens Survive Lexington



Home in Portland, Ore., on furlough, the seven Patten brothers, who survived the sinking of the U.S.S. Lexington in the Coral Sea, were with their father (extreme left), on the old battleship Oregon, now a museum piece at Portland.

NAZI ATTACKS ON SEVASTOPOL AND KHARKOV HALTED

No Sign of Break in Crimea Defenses — Moscow Report Brighter.

Moscow, Sunday, June 28—(P)—The valiant defenders of Sevastopol smashed attack after attack by storming Nazi forces which tried without success to advance all day yesterday in bitter fighting over stacks of their axis dead, the Russians reported early today.

The siege of the Crimean port roared into its 24th day with no indication of a German break into the vast defenses of Sevastopol.

On the Kharkov front it was the same story, military dispatches said.

There Marshal Timoshenko's forces were credited with halting the eight-day-old German drive, and in one sector threw the Germans back in slashing tank counter-attacks.

The Germans were unable to make any headway whatever, the front-line account said, despite the extravagant use of massed air attacks in an effort to enlarge their gains.

These accounts were pointed up by the midnight communique, which told of continued repulse of the Germans before Sevastopol and added there had been no other changes yesterday anywhere on the long front.

Of the battle for Sevastopol it said: "Our troops repelled several enemy attacks on the Sevastopol sector and inflicted heavy losses on the enemy."

The Soviet air force was credited with inflicting "devastating blows upon the Germans on the Kharkov front. In two days, the communique said, 23 Nazi planes were shot down, 46 tanks and 117 trucks destroyed and 309 Germans killed by Russian airmen.

The British radio, relaying Moscow accounts, said that in a violent flare-up of aerial warfare all up and down the front Soviet pilots were "breaking up raid after raid upon Red army positions."

(The BBC, heard in New York by CBS, quoted one correspondent as saying that "for the moment at least it looks as if further developments in the fighting may depend on which side can get air superiority first.")

Portland, Ore., June 27—(P)—All Portland produce prices steady, unchanged.

20-CT. BOMBSIGHT USED IN RAID ON JAPANESE CITIES

Fearful Modern Secret Would Fall in Hands of Enemy—Heroes Decorated.

Washington, June 27—(P)—An improvised, 20-cent bombsight was used by the American fliers who blasted Japanese cities in April, it was disclosed today when 23 of those who participated in the famous raid were given distinguished flying crosses.

Lieut. Gen. Henry H. Arnold, commanding general of the army air forces, presented the medals in ceremonies at Bolling Field while proud wives of several of the fliers looked on. Brig. General James H. Doolittle, who led the raid and was awarded the congressional medal of honor by President Roosevelt May 18 attended.

Those decorated today and five others unable to attend because of injuries or illness not connected with the raid have just returned to the United States for reassignment. The other participants are still in combat zones. All are to receive decorations eventually.

While the Japanese failed to bring down any of the planes, the citations noted that each recipient of the flying cross "volunteered for the mission, knowing full well that the chances for survival were extremely remote and executed his part in it with great skill and daring."

It was the belief that some planes must inevitably fall into Japanese hands, that led to removal of the secret Norden bombsight from each plane. Anyway, the war department explained, the Norden sight was not necessary for a successful low altitude attack such as was carried out. The improvised bombsight, costing only 20 cents to make, was designed by Major Charles R. Greening of Tacoma, Wash., armament officer of the squadron.

Greening piloted the plane which probably met the heaviest attack.

Salmon Packers Indicted

Portland, June 27—Several corporations, individuals and a labor union engaged in salmon fishing and packing were under indictment here today on charges of Interstate Commerce law violations, Deputy U. S. Attorney John H. Daly said.

BRITISH AT FULL STRENGTH AWAIT EGYPTIAN DRIVE

Tank Battle Imminent—U. S. Bombers In Action—Nazis Near Matruh.

Cairo, June 27—(P)—The British eighth army stood reinforced at full strength tonight 15 miles west of Matruh against a powerful axis striking force spearheaded by three mechanized divisions aiming at Alexandria, 165 miles away, and the Suez Canal beyond.

The allied desert army was in position on a chosen line 115 miles inside Egypt, and military men said that when the imminently expected German onslaught comes, the veterans will defend Egypt inch by inch.

With the enemy within 150 miles of the lush Nile valley where 98 per cent of the Egyptians live, there was no doubt the situation was serious but the eighth army—smarting from its bad defeat in Libya—was described as determined that the enemy shall not pass.

Marshal Erwin Rommel, the axis commander, has thrown everything he has into his Egyptian invasion, military men said, but before he can reach the Nile he must smash through the 40-mile desert stretch between the Mediterranean and the great Qattara depression—a great inland sea of sand through which a modern army cannot move.

Rommel had advanced 15 miles overnight but he definitely had been slowed.

Throughout the day and night, the allied air force which includes some of the United States army's mighty B-24 bombers, fought against the approaching enemy host.

Axis and other reports reaching Cairo indicated that the battle of mechanized land forces was imminent, if not actually underway.

"By day and night, bomber and fighter-bomber formations of the allied air force in the battle area have been turned against the enemy ground forces and grounded air forces in the area west of Matruh," said tonight's communique.

SUGAR CHIEF QUILTS

Portland, June 27—(P)—W. S. Dirker, Portland, will retire as state sugar rationing executive July 1, Oregon OPA Director Richard G. Montgomery announced today.

CIVILIAN AUTOS URGED TO CARRY MORE PASSENGERS

Camp White Workers Asked To Team Up More To Conserve Tires.

A statement, signed by Major Theron W. Bean, army engineers was issued yesterday to all camp workers on the Camp George A. White here, urging "there be more teaming up of passengers in workers' autos to conserve rubber."

The notice notes "a number of cars are still being driven to and from this project with only one or two passengers. . . . It reads: "To all construction workers of this project.

This office is informed by the Adjutant General, Washington, D. C., that neither new or retreaded automobiles tires will be available in sufficient quantities to permit the continued operation of all automobiles now being used for transportation of civilian personnel to and from government projects.

A number of cars are still being driven to and from this project with only one or two passengers and it is believed that there can be more teaming up of passengers to conserve rubber. Every trip saved prolongs the nation's rubber supply. In order to insure that the tires now mounted on your automobiles are used to the maximum advantage you are urged to cooperate even more than you have in the past in the joint use of automobile transportation and in carrying out other conservative measures being publicized, such as reduced speed, alternating the use of tires on different wheels, and limiting the use of your automobiles to necessary and essential travel."

(Signed) Theron W. Bean
Major, Corps of Engineers
Area Engineer.

MARINES ARRIVE IN PACIFIC AREA

Atlanta, June 27—(P)—This war's first major expeditionary force of United States Marines landed at a South Pacific "jumping off place," apparently equipped to spearhead any United Nations offensive in that theater of war.

The far-off arrival of "transport swarming with Marines" was revealed here today by Major Melvins O. Frost, southern public relations chief for the Marine corps.

Accompanying the announcement that the convoy carried the Marines' biggest overseas contingent of the war was the first story to be released as written by one of the Marines' own war correspondents assigned to combat forces.

EAST COAST HIT BY GAS SHORTAGE

New York, June 27—(P)—Motorists on the eastern seaboard today faced another "gasless" week-end, with 80 per cent of the dealers completely out of fuel and confronted with a situation described by Sol A. Herzog, general counsel of the eastern states retail gasoline dealers conference, as "simply hellish."

A region within 40 to 60 miles of the coastline from Maine to Florida—an area with 55,000 dealers—was hardest hit, Herzog said.

He said long queues of motorists had lined up at empty pumps early this morning, and that the situation worsened hourly.

Interpreting The War News

By Kirke L. Simpson
(Wide World War Analyst)

Though Hitler's summer offensive in the east apparently has not yet been loosed, preliminary axis thrusts in Egypt and the Ukraine already have produced a twin crisis for his British and Russian opponents.

Both jaws of a vast axis pincer movement eastward have gnawed their way forward dangerously, at an uncounted cost in life and battle wreckage.

In Egypt, battered British imperials with the bitter taste of defeat in their mouths have mustered for a last-ditch stand perilously close to their vital Alexandria naval base. In southern Russia an ominous dent has been made in Marshal Timoshenko's communication services east of Kharkov.

Yet in Washington a confident note is sounded. And in the joint Roosevelt-Churchill statement there is the definite promise of coming operations which will divert German strength from the attack on Russia.

Cheering, too, is the resumption of British air pounding at Germany and reliable reports that United States air units are laying the ground work for American participation in such mass raids.

The creation of an American zone of operations in Europe suggests that joint Anglo-American second-front moves are a near, not remote, possibility. Naturally no hint of their nature or scope is available beyond the certainty that American army air power will soon join the British against German targets.

Turning westward to appraise the war picture across the Pacific at this time of crisis in Europe and the middle east, reports from the Chinese-Japanese front are a little more encouraging. There are some indications that the Japanese invaders are losing momentum in China and still far from a knock-out blow at foes who defied them single-handed for nearly five years.

American air power is beginning to even the odds somewhat for the Chinese.

The Japanese campaign elsewhere in the Pacific has been in a lull since the Midway battle. From Australia allied air power is ranging far to batter persistently at Nipponese advance bases, keeping the enemy largely on the defensive.

Whether the Japanese toehold in the Aleutian Islands can be exploited remains to be seen.

Perhaps the most surprising development of the oriental war sector, however, is a delayed Moscow assertion that it was a Japanese submarine, not an American submarine as Tokyo asserted, which sank a Russian ship in Japanese waters. In light of the unstable Tokyo-Moscow peace pact, there is a challenging quality about the timing as well as the phrasing of that Russian charge which gives it great potential significance.

ATLANTIC U-BOAT SINKINGS NOW 313

By The Associated Press

The Hitler-ordered all-out submarine offensive against United Nations shipping in the Atlantic entered its second day today (Sat) with the reported toll of western Atlantic sinkings since Pearl Harbor standing at 313.

Indications that Japanese submarines were on the prowl in the Pacific while the Nazi U-boats fed on Atlantic victims became evident yesterday when survivors of two allied merchantmen reached an Australian port to tell of the torpedoing of their vessels.

Escape Foiled

Rathfrim, County Wicklow, Eire, June 27—(P)—Canadian and English airmen interned at the Curragh camp attempted a mass escape some time ago. It was disclosed today, but were frustrated in a fight with their guards after their makeshift ladders broke as they were scaling a barbed wire fence.

8 HELD IN PLOT TO WRECK VITAL DEFENSE PLANTS

Explosives Seized — Land Off Subs on Long Island and Florida, June 13th.

New York, June 27—(P)—German submarines have boldly landed highly-skilled saboteurs on American shores with full equipment for wrecking war-factories, J. Edgar Hoover, chief of the FBI announced tonight.

Eight men have been caught, Hoover said, and their explosives seized.

Two groups of four men each were caught, one on Long Island east of New York City and the other in Florida.

Four men were put ashore on Long Island June 13 and the others near Jacksonville, Fla., three days later, Hoover said. The four who reached Anagnosett Beach, Long Island, came in a rubber boat from a submarine about 500 yards offshore, Hoover said. They changed into American civilian clothes on the beach, and buried loads of TNT with time-clock fuses in the sand. Then they went separate ways to New York City.

The others carried out a similar procedure on a beach near Jacksonville, he declared.

Hoover described the eight agents as "men highly-trained in sabotage at a Berlin sabotage school."

Former Resident Held

The names of the agents as given out by the FBI were:

Group 1 (landed on Long Island)—George John Dasch, 39, group leader; Ernest Peter Burger, 36, who in 1931 was a private in the Michigan National Guard; Heinrich Harm Heinke, 35, and Robert Quirin, 34.

Group 2 (landed in Florida)—Edward John Kerling, 33, group leader; Herbert Haupt, 22; Werner Thiel, 35, and Herman Neubauer, 32.

Hoover said that some of the agents were imprisoned in New York and others in Chicago.

He said that the disposition of their cases would be left to Attorney General Biddle in Washington.

There were no specific charges placed against the eight prisoners, according to Hoover.

Hoover released pictures of the men and of the equipment and explosives they brought ashore. One Nazi uniform cap was also included in the evidence collected by the FBI.

Hoover said the men had supplies of explosives for a two-year sabotage campaign against American war objectives, including TNT, fuses and time clocks for delayed action bombs, and small black bombs camouflaged to look like large pieces of coal.

Under questioning by FBI men, Hoover said, the agents listed war plants, waterways, railroads and bridges which were marked for destruction.

Objectives

These included the Aluminum Corporation of America's plants at Alcoa, Tenn., Massena, N. Y., and East St. Louis; the Cryolite plant at Philadelphia, manufacturing light metals; the Chesapeake and Ohio railroad in industrial areas; Hell Gate bridge, New York City; the Pennsylvania railroad terminal at Newark, N. J., and all bridges on which transportation was carried in the New York area.

Other objectives, Hoover said, were in the inland waterways systems, a series of canal locks on the Ohio River near Cincinnati, the New York City water supply system, conduits in Westchester county, hydroelectric plants at Niagara Falls, and railroad tracks on the famous Horseshoe curve near Altoona, Pa.

Resorts Get Respite

Washington, June 27—(P)—The War Production Board today postponed from June 23 to July 31, the effective date of its limitation order restricting production of razors and blades.