

Yenchow Next Japanese Goal

Terrorism in Shanghai Is Basis of new Fears for Foreigners

SHANGHAI, Jan. 2—(Sunday)—(AP)—Two Japanese columns moving rapidly southward to complete the conquest of Shantung province today were converging on Yenchow, important railway junction near the province's southern border.

Japanese dispatches said the two columns, skirting a Chinese resistance center around Taishan, the sacred mountain, already had captured Pingyin and Feicheng, west of the Tientsin-Pukow railway, which marks the main line of the Japanese advance.

Capture of Yenchow, it was believed, would cut off escape for the Chinese forces still battling the invaders around Taishan and the nearby city of Tainan. Yenchow is 70 miles south of Tainan, the captured provincial capital, and about 100 miles north of Suchow, the junction of the Tientsin-Pukow and Luninghai railways, the latter being the main east-west trunkline of China.

The Chinese at Taishan were reported led by the famous "Christian general," Feng Yuxiang, long among the most bitterly anti-Japanese of China's military men.

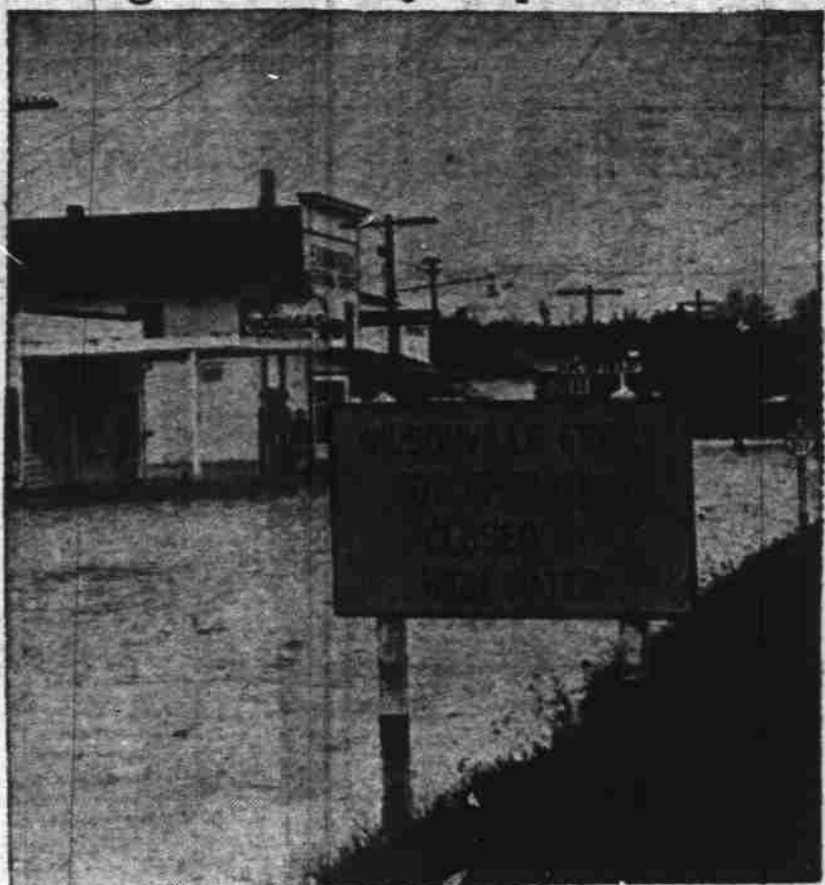
Japanese airplanes were said to have dropped more than 700 bombs in the Taishan area, destroying or damaging many of the famous temples that crown the mountain or nestle on its slopes. Suchow also has been heavily bombed by the Japanese air forces. Two hundred Chinese civilians were reported killed or wounded in the raids.

Trouble Is Feared The Shanghai municipal council, ruling the international settlement, took stern measures to cope with terrorism following Saturday's bombing in which four Japanese soldiers were wounded.

The proclamation said anyone committing an offense within the settlement against any armed forces would be handed over to the forces concerned.

Settlement authorities, Americans and Britons, hoped to prevent development of a terrorist campaign against Japan's domination of the Shanghai area. On Friday Lo Pah-Hong, eminent Chinese Catholic layman and philanthropist, was assassinated in the French concession shortly after he assumed leadership of a Chinese committee cooperating with the Japanese in restoring normal conditions here.

Sign Is Really Superfluous



The sign warns of high water which closed the Wilsonville ferry, but one didn't need to be able to read to know about that.—AP photo.

Champion Liar Tells of Lazy Spouse Who Feeds Hens Popcorn so Eggs Will Turn Over and Who Would Crown Him if She Existed

CHICAGO, Jan. 1.—(AP)—John P. Zelenak Jr.'s short but tall story of his wife's inertia being the mother of an astounding invention won him the crown of world-champion liar today.

"My wife," wrote Zelenak, who probably will get crowned a second time by the subject of his story, "is so lazy she feeds the chickens popcorn so that when she fries the eggs they turn over by themselves."

Those 22 words hit officials of the Burlington (Wis.) Liars' club in the eyes like a grapefruit squirt as they sorted through 10,000 lies submitted by aspiring liars during the last year. O. C. Hulett, club president, and his fellow officers came to Chicago today to announce Zelenak, of Tacoma, had captured the club's championship medal for the best lie of 1937.

Started in 1929 Each New Year's since 1929 the club has been choosing champions. The club started as a joke, but in a few years became internationally known.

especially with a new year on the way.

They decided that was the best they had heard and gave him the title.

TACOMA, Jan. 1.—(AP)—John P. Zelenak Jr., 23, the biggest liar in the world, was caught red-handed today—he couldn't produce a wife.

Zelenak, awarded the world's lying championship by the Burlington (Wis.) Liars' club, received congratulations on his new honor in the midst of his two sisters and four brothers, who were not impressed. Though the oldest in the family, John, they said, was the poorest liar of the lot and only won because the others did not compete.

John offered no defense for his lie. The family does own chickens, he asserted, but admitted he had no popcorn and not even any very good chances of getting a wife.

The past life of a liar, Zelenak claimed, is an open book. His father, John P. Zelenak sr., admitted the youth was correct.

"Why," said Father Zelenak, "he never has lied to me—or at least, I never caught him."

Monopoly Blamed Again for Slump

Economist Henderson Is on Air; Manipulation Responsible, Says

WASHINGTON, Jan. 1—(AP)—Leon Henderson, economist of the works progress administration, charged in a radio speech tonight that monopoly and rising prices had brought on the current business slump.

Henderson, the third governmental official to take the air within a week to denounce price fixing by agreement, said that the decline in purchasing power was caused by "price manipulation and the concentration of ownership which makes monopoly possible."

His speech followed closely similar utterances of Robert H. Jackson, assistant attorney general, and Secretary Ickes.

"The blunt truth is," Henderson declared, "that a large part of the American economy is no longer competitive, though not all of the rigidity by any means is due to private controls."

The one-time economist of NRA said retailers were not to blame for high prices this fall, but that they "felt heir to the increased prices and increased wages of the spring." He added that they were always the victims of monopoly and rising prices.

Cites Steel Prices Henderson singled out the steel industry to illustrate his contention that prices had increased beyond the power of the masses to buy. Some pig iron, he said, are above 1929, cast iron pipe 44.5 per cent above and structural steel 17.1 per cent.

"Yet the steel industry is now operating at less than 30 per cent capacity," he asserted. "How can anyone reconcile these stubbornly-held steel prices with the American system and its concepts of competition? How can they stay up unless some private group is holding them up?"

Among other commodities he said were higher priced than in 1929 he listed paper products, auto, tires, coke, brick and tile, some lumber products and drugs.

Earnings Quoted He took issue with the argument that increased wages had brought about the decline by strangling production and keeping profits too low. Citing a report of the National City bank for November, Henderson said that 265 corporations earned at the rate of 13 per cent of net worth in the first nine months of the year as compared with 10.4 per cent in the same period of 1935.

"How high do profits have to be," he asked, "if not to induce confidence, at least to maintain a low level of grumbling?"

The government, he said, had right to expect that the business system would make up for the reduction in federal spending. "As long as a large part of the economy can idlesly compete, there can never be under present assumptions any substantial duration of prosperity at a high level of activity."

Majek Gets Trip For High Ranking

One of Top Equitable Life Agents, Will Attend Miami Meeting

Edward Majek, Salem representative of the Equitable Life Assurance society of the United States, left yesterday for Miami, Fla., where he will attend the Big Producers convention of the Equitable on January 9, 10 and 11.

The Miami convention is a gathering of top Equitable agents throughout the United States, selected on the basis of strict competitive qualifications for the entire year's paid business. Winning the honor is considered a signal achievement, both for Mr. Majek and for Salem.

Winning outstanding honors with the Equitable is not a new experience for Mr. Majek. Prior to moving to Salem early in 1936 he was for 12 years the leading representative of the Equitable's Spokane agency, ranking in Western competitive honors during those years found him the winner.

Coincident with the announcement of Mr. Majek's successful accomplishment came cumulative figures which indicated that for the third successive year the Equitable has shown a marked increase in total insurance in force, and that the agency in Oregon had broken in 1937 all previous records for total volume of paid business.

Mr. Majek expects to return to his office the latter part of January.

Boulier Finishes Theatre's Murals

Fourteen Rescued After Month Lost In Quebec Wilds

Leader Forecasts Building Recovery

WASHINGTON, Jan. 1—(AP)—Wilson Compton, manager of the National Lumber Manufacturers' association, said today the decline in business activity the past few months had dealt a "severe blow" to the lumber industry of the United States.

He added, however, that he believed the low point in lumber consumption "in the current recession" had been reached.

"Moderate improvement should mark the beginning of this year with more than a seasonal upturn during the second quarter," Compton said in a New Year's day statement.

He predicted efforts of the federal government to stimulate residential construction in cooperation with private industry would "measurably advance the opportunity for increased lumber consumption."

Food supplies for the other members of the party were left by Stradbrook at a small lake 50 miles east of here where he discovered them from the air today. All will be transferred back to civilization shortly when weather conditions clear.

Pilot Stradbrook said members of the party told him that in 36 days they had only 14 rabbits to eat between them.

The surveyors were making a survey line between Evans Lake, Que., and the provincial boundary of Ontario and Quebec when they became lost.

Majek Gets Trip For High Ranking

One of Top Equitable Life Agents, Will Attend Miami Meeting

Edward Majek, Salem representative of the Equitable Life Assurance society of the United States, left yesterday for Miami, Fla., where he will attend the Big Producers convention of the Equitable on January 9, 10 and 11.

The Miami convention is a gathering of top Equitable agents throughout the United States, selected on the basis of strict competitive qualifications for the entire year's paid business. Winning the honor is considered a signal achievement, both for Mr. Majek and for Salem.

Winning outstanding honors with the Equitable is not a new experience for Mr. Majek. Prior to moving to Salem early in 1936 he was for 12 years the leading representative of the Equitable's Spokane agency, ranking in Western competitive honors during those years found him the winner.

Coincident with the announcement of Mr. Majek's successful accomplishment came cumulative figures which indicated that for the third successive year the Equitable has shown a marked increase in total insurance in force, and that the agency in Oregon had broken in 1937 all previous records for total volume of paid business.

Mr. Majek expects to return to his office the latter part of January.

Boulier Finishes Theatre's Murals

Fourteen Rescued After Month Lost In Quebec Wilds

Leader Forecasts Building Recovery

WASHINGTON, Jan. 1—(AP)—Wilson Compton, manager of the National Lumber Manufacturers' association, said today the decline in business activity the past few months had dealt a "severe blow" to the lumber industry of the United States.

He added, however, that he believed the low point in lumber consumption "in the current recession" had been reached.

"Moderate improvement should mark the beginning of this year with more than a seasonal upturn during the second quarter," Compton said in a New Year's day statement.

He predicted efforts of the federal government to stimulate residential construction in cooperation with private industry would "measurably advance the opportunity for increased lumber consumption."

Food supplies for the other members of the party were left by Stradbrook at a small lake 50 miles east of here where he discovered them from the air today. All will be transferred back to civilization shortly when weather conditions clear.

Pilot Stradbrook said members of the party told him that in 36 days they had only 14 rabbits to eat between them.

The surveyors were making a survey line between Evans Lake, Que., and the provincial boundary of Ontario and Quebec when they became lost.

SALLY'S Jan. SALES

Dresses 2 for \$3.88

Reg. 3.95 and 4.95

Come Early for These Won't Last Long

Dresses \$5.00

Reg. up to 12.88

COATS \$19.88

Reg. up to 39.50. Fur trimmed.

Sport COATS \$19.88

Reg. up to 29.50

Reg. up to 24.50

Reg. 12.88 & 14.88 values

\$12.88 \$7.88

Millinery \$1.00

Reg. 3.95 and 2.95

BLOUSES \$1.79

500 to choose from in all new shades and sizes

Sweaters \$1.00

Values to 2.95

Hosiery 68c

Reg. 1.00 pair

PURSES 79c

Values to 1.95

COTTON FROCKS 79c

Values to 1.28

Values to 2.95

\$1.69

Sally's inc. The Ladies Store Complete 357 COURT ST.

"It Never Happened In Salem Before and Probably Will Never Happen Again"

AUCTION OF FINE FURS

TUESDAY-WEDNESDAY-THURSDAY Two Sales Each Day—2:00 & 7:30 P. M.

STATEMENT By Emil DuBain

"It is our policy each year at this time to clear all remaining stock. Therefore every item in our store will be sold immediately at auction . . . without reserve. Never before—and perhaps, never again, will the people of Salem and Community be able to buy at such a tremendous sacrifice. Our coats are fully guaranteed."

WE ARE NOT GOING OUT OF BUSINESS

FREE!

One Russian Kolinsky Neck-piece After Each Sale

MAGNIFICENT \$10,000 STOCK

Includes Complete Selections of such Fine Coats as:

- Caracul
- Persian Lamb
- Broadtail
- Black Kid
- Krimmer Caracul
- Squirrel
- Weasel
- Kolinsky
- Ermine
- Dyed Coney
- Sealines*
- Lapins*
- Pony
- Marmink
- Mendoza Beaver

Come In Monday and Make Your Selections--Absolutely No Obligation

512 State St.

Phone 6846

UNUSUAL TERMS!

Ordinarily an auction is conducted on a cash basis only. But during this sacrificing event arrangements have been made so that you may buy on the same "Easy Terms—Pay as You Wear" basis as always.

This sale now makes it possible for those who thought they could not afford a beautiful fur coat to own one at their own price and at the lowest terms!

WE ARE NOT GOING OUT OF BUSINESS

Your Own Terms in Reason BUY ON OUR BUDGET PLAN