

Weather
Unsettled today and Sunday with rain; snows in the Cascade range. Max temp. Friday 59, min. 48. River -2.0 ft. Southwest wind.

Sports?
The Oregon Statesman is Salem's leading newspaper in the field of sports news. Read this page of live sports news every day.

EIGHTY-NINTH YEAR

Finns Score Gains Against Reds

In One Ear..

Ranging the vast frozen tundra of Alaska there was once a reindeer who did not have enough sense to come in out of the rain. This was not noticed, however, because it was always snowing. The reindeer, who was named Hrothgar, came of a very good family. He was, as a matter of fact, a son of D. O. B. or out of Paul H. Hauser, Jr. Blitzen. Francer was his god-father.

He was a member in good standing of the Arctic herd, Royal and Ancient Order of Sons of Servants of St. Nicholas of America, and a fellow traveler in the Moose and Elks. He was very proud of his ancestry, for he came from one of the first families in Alaska.

"We are strictly pre-Matanuska," he used to say with a smirk. Some of the younger and wilder reindeer, he had learned from unimpeachable authorities, were beginning not to believe in Santa Claus. Nothing you could put your finger on, but it was there.

So he formed an investigating committee. And he got his name in all the newspapers and the name of Hrothgar was on the lips of every reindeer.

And Hrothgar began to find startling things. Pretty soon Hrothgar had found so many reindeer were a bit shaky on believing in Santa Claus that he was only sure himself and Mr. and Mrs. Santa Claus.

And Hrothgar suspected Mrs. Santa Claus. One day Hrothgar found out that Santa Claus had been giving things away instead of selling them.

When he found this out he pulled a coup d'etat and made himself Santa Claus. He might have made a good Santa Claus if there had been any reindeer left.

ADVICE TO ACROBATS
If you're walking the high wire and somebody hollers out "Fire," Even though your act, it wrecks Walk, don't run, to the nearest exit.

The Russians couldn't wait until the Finnish Olympic games began before they started in on the shot putting event.

Toll of Sea War Increased by 6 Soviet Warship, German U-Boat Included in Day's Activity

(By The Associated Press)
The Finnish-reported destruction of a Soviet warship, the 3500-ton cruiser Kirov, the sinking of four merchantmen and the reported sinking of a German submarine marked sea action in Europe's two conflicts yesterday (Friday).

The Kirov, said a Finnish radio broadcast, was sunk off Hango, strategic point in southern Finland, with 500 men aboard by Finnish defense batteries.

In the older of Europe's two conflicts, a French official announcement reported the sinking of a German submarine Thursday by a torpedo boat. The communication, while not giving the place of the encounter, said the submarine had attempted to attack a convoy of freighters, and was destroyed by a depth charge.

Confirmed merchant sinkings announced yesterday were: The 4160-ton Finnish steamer Mercator, sunk by mine off the Scottish coast; one crew member missing, others rescued. The 4538-ton British steamer Delryan, sunk by mine off the southeast coast of England; all members of the crew rescued. The 8083-ton Norwegian steamer Realf, sunk Thursday by a mine or a submarine in the North sea; all but one of this crew of 45 rescued.

US Invo..

Aircraft Not to Be Sold Reds

Action Unofficial But Complete In Extent 'Disregard of Law' Basis for Move By America

WASHINGTON, Dec. 1.—(AP)—A "moral embargo" on sale of American-made warplanes to Russia was put into effect tonight, the Washington Post said.

The report of the embargo, which the paper said was "unofficial but nationwide in extent," came within a few hours after President Roosevelt had condemned Russia's attack on Finland.

One authoritative source said the ban was so tight the Soviet would be unable to buy a single American plane. The Post added that an official Russian mission was "going from one plane factory to another in this country offering large amounts of cash for various types of American fighting aircraft."

Mr. Roosevelt declared the Russian bombings were a "profound shock" to the United States and added it was "tragic" to realize that "truman disregard for law is still on the march."

Moral Embargo Formerly Applied to Japan The "moral embargo" has been applied to Japan and Italy, it was reported. No power exists to forbid shipments, but, in the case of the Japanese, Secretary Hull appealed directly to American aircraft manufacturers and they have refused to fill Japanese orders.

Hull's action was taken because of bombing of civilian population in China. The United States has been comparatively light this year, amounting to only \$1,068,887 through October. Commercial sources reported, however, that Soviet agents have been inquiring in the past few days about the possibility of placing orders for military planes of all types.

The president's statement was issued at his press conference. (Turn to page 2, col. 1)

Tarring Episode Brings 3 Fines

WARRENTON, Va., Dec. 1.—(AP)—The tarring and feathering of two Communist agitators, Igo Cassini, chit-chat columnist for a Washington newspaper, resulted in the conviction today of three socially prominent Virginians on a charge of conspiring to mob and committing assault.

The verdict, returned by a Fauquier county jury after an hour and a half deliberation, imposed a fine of \$500 on Ian Montgomery, 39, self-styled originator of the episode, a fine of \$150 on his brother Colin Montgomery, and a fine of \$50 on Alexander Calvert.

Cassini, 24-year-old grandson of a former Russian ambassador to the United States, was forced into an automobile at Warrenton Country club in the early morning of last June 25, driven into the country, and "tared" and feathered after being disrobed.

Speakers Favor Manager Form PORTLAND, Dec. 1.—(AP)—Three speakers told the City club today they believed Portland would do well to adopt the city manager type of government.

Presidential Aspirant Says War Not Dimmed GOP Odds The war in Europe apparently has not dimmed the hope of republican success at next year's election, Senator H. Styles Bridges, New Hampshire republican, declared while paying a brief call on Governor Charles A. Sprague in Salem yesterday afternoon.

"I consider the republican outlook good, provided we are not actually in war and refrain from any serious mistakes," the visitor explained. Senator Bridges took issue with a recent suggestion by President Roosevelt that party nominating conventions be held later than usual in 1940.

Government Set For Power Loans

President Says Federal Money Available if No Private Funds

WASHINGTON, Dec. 1.—(AP)—President Roosevelt, in a fresh outline of the administration's power policy, asserted today that if Wall Street money was unavailable, the government stood ready to lend funds for linking private electric power systems as a defense measure.

Discussing the whole field of power at a press conference, the chief executive also declared there was no immediate emergency in connection with the nation's power supply.

He again defended his 1938 proposal to create from seven to nine regional planning authorities in the nation's watersheds similar in some respects to the Tennessee valley authority and said waterpower development was a very minor phase of these plans.

Someone, he said without identifying him, had deliberately perverted his message to congress on that subject by saying the other day that there were to be nine power authorities. The president said he had human engineering more in mind than civil engineering.

By human engineering, he said, he meant soil erosion prevention, tree planting, highway and waterway development, and taking people in abject poverty and placing them in new industrialized areas where they could make a living.

The discussion was prompted by a reporter's question about the series of conferences to start here next Tuesday between the federal policy committee and representatives of 50 private power systems regarding methods of meeting the nation's future power demands.

Officials already had denied that these conferences would go into the question of a national power grid under which Federal Steam "Standby" plants would be established and private and public power booked for quick concentration of energy in event of a national emergency.

Speakers Favor Manager Form PORTLAND, Dec. 1.—(AP)—Three speakers told the City club today they believed Portland would do well to adopt the city manager type of government.

Food Stamp Plan Enters Portland PORTLAND, Dec. 1.—(AP)—A quorum of the state public welfare commission tentatively approved a contract today which would inaugurate the federal food stamp plan in Multnomah county and perhaps in all of Oregon.

The food stamp plan, designed to stimulate distribution of surplus agricultural products to relief ailments, would go into effect under the contract early in January and if it proves effective in Multnomah county would be made statewide.

Dalles Airport To Be Improved THE DALLES, Dec. 1.—(AP)—Modernization of the North Dalles airport was considered today after the civil aeronautics board reported it "readily extended."

Transport planes use The Dalles port field only for emergencies, usually turning back to Pendleton when fog is encountered.

Football Scores HIGH SCHOOL SCORES
Salem 14, Corvallis 6.
West Linn 20, Clatsworth 6.
Beaverton 15, Silverton 6.

FOOTBALL SCORES
VANCOUVER, B. C., Dec. 1.—(AP)—Vancouver Lions scored twice in overtime to beat Portland Backs 9-1 here tonight and placed themselves in a first place tie with Portland and Seattle in the Pacific coast hockey league standings.

SEATTLE, Dec. 1.—(AP)—Aberdeen's crack Spar team, winner of the state tournament last year at Yakima, fell five points short of first place in open class competition in the Washington State Bowling association tournament tonight.

McIntyre Renamed PORTLAND, Dec. 1.—(AP)—President Ross McIntyre was reelected by the Portland chamber of commerce today and his administration was complimented as "representing the greatest period of growth in nearly a decade."

Reds Denounce Risto Ryti's Finn Cabinet

New Government Held 'No Improvement' on old Regime

Tanner Claimed 'Evil Genius' of new Leadership

(By the Associated Press)
MOSCOW, Dec. 2.—(Saturday)—Soviet Russia today denounced the newly-formed Finnish government in Helsinki and declared that her hope for peace lay in the new "people's" regime of Finland which Russia proclaimed under a Finnish communist leader.

Premier-Commissar Molotov, in a communique distributed by Tass, Soviet official news agency, declared the Finnish cabinet formed yesterday by Risto Ryti, 50-year-old banker, "unfortunately does not improve matters" between Russia and Finland.

Molotov referred to the Finnish government, in which Finance Minister Vaino Tanner was retained as Foreign Minister, as the "Tanner" government, and added: "Tanner declared 'Evil Genius'."

"Tanner was and undoubtedly remains the evil genius in soviet-Finnish negotiations," Molotov asserted that if the negotiations had been pushed by Paasikivi without Tanner's participation "they probably would have ended in an acceptable agreement."

The soviet official added that the negotiations had been pushed by Paasikivi without Tanner's participation, headed by Otto Kuisinen, who helped found the communist party in Finland, "introduces a new and important factor into the situation and causes Turn to page 2, col. 8)

Wallace Proposes Streamlined Tax Leader Offers Plan to Make AAA Program Self-Supporting

OKLAHOMA CITY, Dec. 1.—(AP)—A "streamlined" processing tax to make new deal farm products self-financing was suggested by Secretary of Agriculture Henry A. Wallace today in the first address of his midwestern farm belt tour.

The secretary, speaking before some 3,000 farmers in the municipal auditorium here and over a national radio network (NBC), declared there was no assurance that congress would continue to appropriate funds for the programs.

"Parity payments for cotton, wheat, tobacco, rice and corn were voted at the last regular session by an extremely narrow margin," he said. "If they were not made the effect upon farmers might easily be disastrous."

"Therefore, it is only the part of common sense to make the farm programs self-financing."

Among the plans now under discussion, Wallace said, is the so-called "certificate plan." He termed this a "modern version of the processing tax" and declared it had "some obvious advantages."

Under this program, certificates equal in value to a certain number of cents a pound of bushel would be distributed among farmers cooperating with the federal government.

Processors would be required to buy the certificates at the time the farmer sold his crop, thus (Turn to page 2, col. 1)

Italian Steamer Reports Sinking LONDON, Dec. 1.—(AP)—The sinking of the 8083-ton Norwegian steamer Realf by a submarine or mine in the North Sea last night was reported tonight when an Italian steamer brought 44 members of the Realf's crew to a port on the eastern coast of England.

One member of the crew was reported missing. (Lloyds register of shipping lists the Norwegian steamer Realf as a tanker built in 1937 and owned by A. S. Asplund.)

Women, Children Victims of Bombs

16 Russian Planes Claimed Shot Down In Fierce Attacks in North; New Cabinet Also Hostile to Soviet

By LYNN HEINZERLING
HELSINKI, Dec. 1.—(AP)—Finnish successes against Russian attacks in bitter fighting on land and sea were reported tonight as a new government, headed by a banker, took up the little republic's struggle against the soviet union.

At least 30 women and children were reported killed in Helsinki today when Russian warplanes subjected the capital to a prolonged bombing and machine-gunning but elsewhere on the 800-mile Russian-Finnish frontier there were stories of destruction of Russian tanks, capture of Russian prisoners and increased Finnish resistance.

A Russian warship was reported sunk in the violent battle between Red warships and the Russian fortress at the strategic city of Hango, which guards the entrance to the Gulf of Finland. The fortress was still held by Finland tonight.

A defense ministry communique at midnight said the "warships" were compelled to withdraw. The communique added that on the war front there had been few Finnish casualties but "large" Russian losses.

16 to 18 Russian Planes Are Shot Down "Certainly 16 and perhaps 18 or more" Russian planes were shot down during the day, including several over Helsinki, the communique said, while "our air force suffered no losses at all."

The new premier, 50-year-old Risto Ryti, president of the Bank of Finland, declared in a special radio broadcast tonight to the United States that Finland would "never barter away the right to decide our own affairs." The speech was read for him by an assistant.

Associated with Ryti in the new cabinet are Vaino Tanner and John Kuiti-Paasikivi, who dealt personally with Joseph Stalin at the Kremlin during the prolonged but vain negotiations over Russia's territorial demands.

Tanner, socialist finance minister in the outgoing cabinet of Premier Aimo K. Cajander, was named foreign minister while Paasikivi, a former premier and long experienced in dealing with Russia, was given the post of minister without portfolio.

Hostile to Russia Cajander and former Foreign Minister Elias Erkkio, who were assailed by Russia as inimical to the soviets, were dropped. (An indication that the Ryti government also was considered hostile by Russia was seen when Tass, official Soviet Russian news agency, said the "hated" Cajander government had been replaced by "Tanner's government," but Tanner is an enemy of our people just like Cajander.)

(Tass reported in Moscow that a "people's government of the democratic republic of Finland" had been formed in Terijoki, a Finnish town near where the Russians first crossed the border yesterday. Its criticism of Tanner indicated the invasion of Finland would continue until Helsinki fell and a new government was set up.)

The Finnish capital went through the heaviest aerial attack of the two-day invasion this afternoon and two other air raid alarms—which were followed by no bombing—were sounded as flames spread through the capital. Bombardment of Hango Declared "Extreme"

A railway warehouse was demolished but rail traffic was not affected. There was no bombardment of Helsinki by soviet warships, but the air and naval bombardment of Hango was described as extreme and it was expected soviet forces might attempt a landing to reduce the stubborn fortress there.

What was described as a "reprehensible" soviet attack along the southeastern border was reported repulsed by Finnish troops, with hundreds of Russians taken prisoner and a heavy loss of life on the soviet side.

Sixteen Russian tanks were wrecked by mines or gunfire in this engagement, military authorities said. The defense ministry communique said that while the Hango fortress was not damaged, the naval bombardment set fire to two towns on the island of Suursaari in the Gulf of Finland. A motorboat with four coast guards attempting to leave the island of Selkari was sunk by a warship and the four were killed.

Of the warfare on the frontier, the communique said: "During the course of the day, (Turn to page 2, col. 5)

19 SHOPPING DAYS
Christmas