

Nazis Claim 34 British Planes Shot Down

In One Ear..

—Paul Hauser's Column

If Mrs. Twig had been a little more careful about hiding her Christmas presents things might have been different. As it was her head turned to the well-laid Christmas plans went awry.

Mr. Twig was a morose sort of person. Definitely he was not the type that it is easy to buy for. For some Paul R. Hauser, Jr. years now his conversations with Mrs. Twig over the breakfast table and elsewhere had been limited to a series of grunts in varying inflections. To one knowing Mrs. Twig this peculiarity of conduct was not difficult to understand.

Mrs. Twig had been at some pains to choose a suitable Christmas gift for Mr. Twig. She had been unable to get from him any indication of what was dear to his heart. In fact, Mr. Twig had a heart. She had after great consideration decided upon a revolver, for in his occasional articulate periods Mr. Twig had several times mentioned that he had been considered a crack pistol shot in his youth.

So Mrs. Twig went to a sporting goods store and bought a very good target pistol, which she had wrapped as a gift. She took it home.

It was there that she made her big mistake, for she carelessly placed the gift on a closet shelf, hidden only by an old hat box.

It was only a few days before Christmas when it happened. Mrs. Twig had gone out for an about in the bridge with a group of middle-aged women whom she still referred to as "the girls." Mr. Twig was left alone at home. As time grew heavy on his hands he started to rummage about in the closets, a pre-Christmas habit that had afflicted him since his youth.

Eventually Mr. Twig found the present. He took it down from the shelf and unwrapped it, carefully so as not to muss the wrapping. When he opened the box and found it was a pistol a gleam came into his eyes. He fondled the gun in his hands, turning it over and over. Then from the box of cartridges Mrs. Twig had thoughtfully provided with the gift he loaded the pistol.

Calmly and deliberately, Mr. Twig then walked out into the garage, put his Christmas present against his temple and shot himself through the head.

Mrs. Twig had to change all her Christmas plans.

We were sitting in a well-known State street confectionery and eatery when rather suddenly itself on its candy making the other day. While we were sitting there a little old lady carrying a basket walked in. She stood there hesitating for a moment and then approached the girl behind the counter. Carefully she removed the napkin over her basket.

"I wonder if you'd like to buy some of my home made candy," she said.

SEASONAL LAMENT
The rain falls in torrents, The river rises fast; If I wanted to go swimming I just wouldn't last.

Two Swiss Scientists have invented a movie film which gives off 3000 different smells. Hollywood's efforts in this field are still good enough for us, however.

Council Hears Proposal To Establish Reserves

The city council last night heard a proposal for establishment of a group of men to be known as "Salem police reserves," which would be on call in emergencies for either police or fire department.

Soviet Planes Raid 2 Suburbs Of Finn Town

Air Raid Warnings Are Sounded in Other Gulf Cities

17,000 Russ Soldiers Are Reported Routed by Finns in Fight

By THOMAS H. HAWKINS
HELSINKI, Dec. 18.—(AP)—In the first real air activity since early this month, Russian war planes today bombed two suburbs of Viipuri and air raid warnings were sounded in towns all along the Finnish gulf.

One plane was shot down outside of Viipuri but the extent of damage—if any—near that Finnish city was not determined. A squadron of 20 Soviet planes, mostly bombers, flew over the Viipuri suburbs most of the day, apparently on reconnoitering flights. There were three air raid warnings in Viipuri proper but no planes attacked there.

Meanwhile, the Finnish high command announced desultory attacks by Russian troops were repulsed during the day in eastern central Finland and on the Karelian Isthmus.

17,000 Russ Reported Routed by Finns
(Reports to Stockholm newspapers stated the Finns routed 17,000 Russians on the shore of (Turn to Page 2, Col. 1)

Labor Story Is Reported Killed

Regional Director Tells Of City Editor's Censorship

WASHINGTON, Dec. 18.—(AP)—Summoning a regional director of the national labor relations board to the stand, a house investigating committee questioned him closely today on one report in which he said a friendly city editor had killed a story derogatory to the board, and another in which he quoted the CIO as saying it had an "obligation to communists."

The witness, Philip G. Phillips, had reported that the story was killed by the city editor of the Cincinnati Enquirer, "a swell guy and a dear friend of mine."

Tonight W. F. Wiley, publisher of the Enquirer, issued a statement at Cincinnati, saying the (Turn to Page 2, Col. 8)

Alford Is Named To Warren's Post

Lieutenant Max Alford will succeed Clyde Warren as state police headquarters captain here, Charles P. Pray, superintendent of state police announced Monday.

Warren recently was appointed head of the law enforcement division of the state liquor control commission with headquarters in Portland. He will assume his new duties about January 1. Warren succeeds Walter Winters, who resigned.

Lieutenant Alford has been with the state police department since November 1, 1931. He first was a patrolman in the Astoria district, but was promoted to the rank of lieutenant March 1, 1933. He has since made his headquarters in the Salem district.

Alford took his seat for the first time.

The routine business of renewing beer and wine licenses for the coming year provoked a little flurry when Alderman C. P. French objected to re-licensing establishments whose licenses have been suspended by the state liquor commission during the past year. A move to amend the renewal motion failed and the original motion was passed. Only two places would have been affected by the amendment.

The "dry" element of the council scored a minor victory, however, in rejecting an application for a wine license by George Grey, 185 South Commercial. Grey already holds a beer license. Bids for a 500 gallon pumper truck for the new east Salem fire station were opened and referred to the fire committee. The bids were: American LaFrance, \$8975; and \$9075; Kenworth, \$8900; Ahrens-Fox, \$8893; only \$9793; Seagrave, \$9789; Mack International truck, \$7790; Buffalo Fire Appliance company, \$6810.57; Clyde equipment company, \$7633; General fire truck corporation, \$7615; Peter Pirsch company, \$7935.

Christmas Gift Is Too Big for Lad's Stocking

PORTLAND, Dec. 18.—(AP)—A couple of crates marked "do not open until Christmas" and addressed to a Portland boy whose name was withheld, arrived today and Railway Express Agent C. I. Fitzgerald allowed as how it would be some job getting them into a Christmas stocking.

Each crate contained a sleepy-eyed burro, one a jack, the other a jenny.

Churchill Says Nazi Navy Hurt Admiralty Chieftain Claims 'Considerable Portion' Of Ships Scuttled

LONDON, Dec. 18.—(AP)—A "considerable proportion" of Germany's cruiser strength has been sunk or seriously disabled by British attacks in the past six weeks, Winston Churchill, admiralty chieftain, declared tonight as Britain claimed victory in the "biggest air engagement of the war."

In a hurriedly-arranged broadcast, the first lord of the admiralty related circumstances of the sinking of one German cruiser and the crippling of two others by British submarines. His account of naval successes was heard by a British public long impatient for action.

Churchill said his majesty's submarine Salmon last Thursday saw the German fleet steaming out to sea "on one of its rare excursions."

"She fired six torpedoes at the cruiser squadron which was accompanying the German battle cruisers and she hit one 6000-ton cruiser with one torpedo and a second cruiser of equal size with two."

"These cruisers may have been able to limp home, although that is by no means certain, in the case of one of them . . . and they will be out of action for many a long month."

"Now, today, his majesty's submarine Ursula reports on the 14th she sank a 6000-ton cruiser of the Koln class although it was surrounded by no fewer than six German destroyers."

(Turn to Page 2, Col. 6)

Californians Hit In Monopoly Quiz Electrical Companies and Labor Unions Indicted By Grand Jury

SAN FRANCISCO, Dec. 18.—(AP)—The federal government's lengthy investigation of building construction costs emerged today with a sweeping grand jury indictment charging northern California electrical companies and labor unions with conspiring against the Sherman anti-trust act.

Accused of conspiring to dictate and control bids of small contractors were 10 San Francisco, Alameda and Contra Costa counties' companies and contractors' organizations, two unions in that area and 36 individuals.

It was the first indictment returned since Attorney General Frank Murphy sent his investigators into various parts of the nation to inquire into building costs, said James Hayes, assistant attorney general.

Since January, 1938, the indictment alleged, the defendants had conspired to establish an arbitrary, collusive and non-competitive bids to eliminate "electrical contractors who refused to participate in the bid control scheme."

The jury charged that the Electrical Industry Depository of California, Inc. was formed and all contractors were told to file bids with the corporation or else be deprived of the use of union labor.

Scheme to Break Picket Line Bared

SAN FRANCISCO, Dec. 18.—(AP)—A message plucked from an employer teletype in the bloody Stockton cannery strike of 1937, read into the LaFollette committee hearing record today, outlined a plan to "break the picket line" by inciting teamsters to "start a battle with strikers."

\$43,000 FIRE HITS WEST SALEM INDUSTRIES



Tons of grain, seed, box shook and machinery went up in smoke early last night as the Ivan Stewart & Co. and Valley Box & Lumber company plants were destroyed by fire in West Salem. Firemen could do little to curb flames that shot high in the air from blazing piles of grain and box-making materials.—Statesman staff photo.

Hull Criticizes Stand of McNary Oregon Senator's Attack On Trade Treaties Held Unfair

WASHINGTON, Dec. 18.—(AP)—The criticism by Senator McNary (R-Ore), minority leader, of the administration's trade agreements program was intended to discredit the program, Secretary of State Hull charged in a letter to the Oregon senator yesterday.

"The 'evidence' you now adduce," Hull wrote, "in support of your assertions that trade agreements have imposed hardships on our domestic producers is on a par with the 'evidence' trumpeted throughout the country 10 years ago by sponsors of the Hawley-Smoot tariff in support of their reckless assertions that tariff emargements would give our agriculture and industry permanent and resplendent prosperity."

"We all know that the operation of the Hawley-Smoot tariff did not prevent, but was largely responsible for, the worst economic disaster which has ever struck our country."

McNary, Hull said, wrote that as a result of the war-time currency depreciations "we should immediately invoke the exchange rate provisions in our trade agreements for the purpose of modifying or cancelling the agreements themselves."

Georgian Is Again Ousted by Troops

ATLANTA, Dec. 18.—(AP)—Unarmed soldiers "captured" Georgia's highway department today in the executive's fight with W. L. Miller for control of this key state agency.

Miller, twice ejected bodily from the chairman's office when he refused to recognize an executive order, made another attempt to regain his desk through a court order. National guardsmen gently but firmly denied him entrance to the chairman's suite in the highway building, and he left quietly.

The governor early today issued a proclamation of martial law "for the protection of the state highway department and all its properties." It followed on the heels of a permanent injunction by a three-judge superior court against interference with Miller, chairman of the highway board.

Cuban-American Pact Is Signed

WASHINGTON, Dec. 18.—(AP)—Secretary Hull and Cuban Ambassador Martines Fraga signed a supplementary trade agreement today restoring tariff reductions on sugar and tobacco imported into the United States from Cuba in exchange for Cuban concessions on American exports. It supplements the trade agreement between the United States and Cuba signed August 24, 1934.

"The new agreement is limited in scope" the state department said. "Its primary purpose is to restore a more balanced reciprocal character to the agreement signed in 1934 in the light of developments which have occurred since then."

West Salem Seed, Box Plants Are Destroyed

Partly Insured \$43,000 Loss Suffered by Valley Box Company and Ivan Stewart Seed Firm in Early Evening Mystery Blaze

West Salem's worst fire in two years destroyed the two-story frame building occupied by the Ivan Stewart & Co. seed and grain plant and the Valley Box & Lumber company box factory early last night.

The proprietors estimated their loss in excess of \$43,000, partly covered by insurance.

Flames were first noticed coming from the roof at the north side of the building at 6:50 o'clock, according to information obtained by Sergeant Farley Mogan of the state police. Alarms were sounded by Merle Pruitt and Vern J. Fowler and answered by the Salem fire department.

By 8 o'clock the east wall adjoining the Southern Pacific railway tracks had fallen and flames were roaring through the whole building. Only a pile of blazing grain and box shooks remained three hours later.

Volunteer fire fighters who manned two hoses laid by a Salem pumper crew were unable to do more than protect the Portland General Electric company high-tension lines running past the west side of the building. Nearest structures, the PGE substation and an oil station, lay 100 yards away.

No evidence as to origin of the blaze was found, Sergeant Mogan said.

Ivan Stewart estimated the loss of his building, built in 1925, at \$50,000, on seed and grain at \$15,000 and on seed cleaning machinery at \$5,000, 80 per cent insured. His office records and equipment were saved.

Tom Allen, proprietor of the box company, said he lost \$12,000 in materials and \$6,000 in machinery, principally nailing machines, 50 per cent insured. Two lumber trucks were saved but office equipment and records lost.

Four firms suffered heavy grain and seed losses, Stewart said. He had in storage 175 tons of oats and seed recently purchased by the Tillamook county Creamery association, valued at approximately \$4375; 60,000 pounds of rye grass belonging to Burlingham & Sons, Forest Grove, worth \$2700, and two carloads of barley valued at \$2000, one each belonging to Edward L. Eyre and Continental Grain company, both of Portland.

Near the fire but undamaged were a string of Southern Pacific bridge crew cars serving as living quarters and two flat cars carrying large power transformers destined for the Bonneville substation at Wiona, east of West Salem.

Last night's fire loss was exceeded in West Salem only by the \$130,000 blaze that destroyed the old Salem Manufacturing company box factory and a large part of the Copeland yards in November, 1937.

Late Sports

HOCKEY
VANCOUVER, Dec. 18.—(CP)—An overtime scoring drive headed by the veteran Frank Jerva gave Vancouver Lions two goals in the extra session and a 5-3 victory over Seattle Seawhaws in a Pacific coast hockey game here tonight. The wisps put Lions out in front in the league standings.

Alleged Robber Held by Police

Theft of \$20 From Taxi Driver Brings Charge Against Portlander

Alleged to have held up Ernest Teske, Salem taxicab driver and robbed him of \$20 Saturday night, a man giving the name of William Franklin Lehman is under arrest in Portland, Sergeant J. L. Cutler of the Salem police reported last night. He said Lehman, who registered at the Bligh hotel here Saturday under the name of Bill Hayes, had admitted the Teske holdup but claimed it was a whiskey bottle and not a gun he had held against the driver's side.

Teske reported to state police Sunday morning his assailant had used a gun.

The bandit approached Teske at his Bligh hotel stand, he told police, and asked to be driven to Brooks. When they reached Brooks the passenger asked him to drive on through Mt. Angel and near the Grassy Pond school, four miles out of the town, the "fare" pulled out his gun and demanded Teske's money.

Two reported captured. Only two German planes were reported lost. Their crews were said to have escaped by parachute.

News of the air battle closely followed upon the DNB, official German news agency, announcement of the raid on the British convoy.

German planes were returning from a scouting trip when they sighted the convoy and attacked with bombs and machine guns.

Damage to the warships was proven, DNB declared, by their heavy lists and by flames and smoke from their decks. Their crews were said to have taken to lifeboats.

Among the four ships destroyed, DNB listed the British steamer Sorebity, 487 tons, and the U.S. ship USS Edge Off Spee Loss.

Germany's declarations of air successes took the edge off the disappointment at the scuttling of the Graf Spee.

The German minister in Montevideo delivered a sharp protest to the Uruguayan government, for refusing to give another extension of time.

Some quarters indicated that Germany might claim damages from the South American country for a "flagrant violation of international law."

Nazi newspapers said the Graf Spee was not defeated but the victim of "underhanded" methods by the British government.

When asked why the Graf Spee was not interned, informed quarters said the scuttling followed the tradition of the German navy and experience of the World war showed the pocket battleship probably could have been wrecked in port by British agents.

They said that during the World war the British destroyed the German cruiser Dresden in Chilean waters.

Speedy German Craft Win in Big Air Fight

Giant Sky Battle Over Helgoland Is Lost by English

Engagement Covers 20 Miles, Takes Place Near River Elbe

By MELVIN WHITELEATHER
BERLIN, Dec. 18.—(AP)—Speedy Nazi fighting planes shot down 34 of 44 British bombing planes today, Germans declared, in a giant sky battle off the naval base of Helgoland.

German scouting planes also were said to have sunk four British steamers and damaged three British warships in a bomb and machine gun raid on a convoy yesterday.

The huge air battle, extending over 20 miles of sea between the coast and Helgoland, took place within 20 miles of the mouth of the river Elbe where the British asserted one of their submarines sank a 6000-ton German cruiser Thursday. German official sources denied the British report.

Announcement of Nazi successes came as informed quarters asserted the scuttling of the German pocket battleship Admiral Graf Spee at Montevideo will mark "the beginning of new attacks by our fleet against England."

Admiral Scheer Ready for More Raids
Unconfirmed reports said the sister ship of the Graf Spee, the Admiral Scheer, was loose in the south Atlantic and ready to continue raids against the allies.

The air battle at Helgoland was apparently the largest aerial engagement of the present war.

As the fleet of British bombing planes swept in from the North sea, squadrons of Messerschmidt pursuit ships, Germany's fastest fighting planes, rose to meet them, Germans said.

The defense craft were under the command of Captain Schmachner, who, Germans said, led fighters in destroying 10 attacking British warplanes December 14.

There was no indication of how long the battle lasted, but tonight Germans said the wreckage of many British planes was being washed up on shore.

Only two Nazi planes reported lost. Two British plane crews were reported captured.

Only two German planes were reported lost. Their crews were said to have escaped by parachute.

News of the air battle closely followed upon the DNB, official German news agency, announcement of the raid on the British convoy.

German planes were returning from a scouting trip when they sighted the convoy and attacked with bombs and machine guns.

Damage to the warships was proven, DNB declared, by their heavy lists and by flames and smoke from their decks. Their crews were said to have taken to lifeboats.

Among the four ships destroyed, DNB listed the British steamer Sorebity, 487 tons, and the U.S. ship USS Edge Off Spee Loss.

Germany's declarations of air successes took the edge off the disappointment at the scuttling of the Graf Spee.

The German minister in Montevideo delivered a sharp protest to the Uruguayan government, for refusing to give another extension of time.

Some quarters indicated that Germany might claim damages from the South American country for a "flagrant violation of international law."

Nazi newspapers said the Graf Spee was not defeated but the victim of "underhanded" methods by the British government.

When asked why the Graf Spee was not interned, informed quarters said the scuttling followed the tradition of the German navy and experience of the World war showed the pocket battleship probably could have been wrecked in port by British agents.

They said that during the World war the British destroyed the German cruiser Dresden in Chilean waters.

5 SHOPPING DAYS TILL Christmas