

Weather
Cloudy with rain tonight and Sunday; no change in temperature. Max. temp. Friday 48. Min. 31. River 5.1 ft. South wind.

No Substitute!
You'll find no newspaper can give more real satisfaction than your LOCAL MORNING PAPER, WITH ITS WORLD NEWS plus HOME COMMUNITY NEWS.

McNary, Ailes Ask Budget Study Committee

In One Ear..

—Paul Hauser's Column

We went up in the air yesterday with Pauline "Snix" Corning, proprietress, cook and waitress of the airport eatery, and smashed a cloud. Snix did the back seat driving, because that's where the controls are and we didn't want to have a thing to do with them.

From a thousand feet or so we inspected the new cell block plan or something being built at the penitentiary, but can't report much on the progress of the work. We went over the capitol and found that its red roof makes a nice sort of contrast with the green lawn about it.

The Willamette, even from a thousand feet, looked very muddy and dirty, but that wasn't stopping someone from taking advantage of a good day taking advantage of a good day of sailing.

Then we went after a cloud looming over the east and after chasing about in the wisps and strays boomed right through it in what you might call a total white-out.

Then we came down and only a couple of times did Snix make us have that roller-coaster feeling.

We don't know why we're telling you all this except to report that the country is all very green and healthy looking. God's in his heaven and all's right with the Willamette valley.

Ralph Nohrigan reminds me that the Licher club benefit show is almost here and also that Dr. Harry Brown is expected to crack his last year's ticket selling record. Last year, it seems, Dr. Brown sold 100 tickets on the strength of his being in the show. This year he is expected to sell 200 tickets on the strength of his not being in the show.

Ian Carson likes this rhyme, whose author he cannot recall: When I was young and had no sense I very easily took offense; But now I'm old and grown more wise I only fight with the little guys.

Crime notes—Jack Tomlin broke his way out of the county jail the day after he had been released from the penitentiary. Before his release from the pen, after serving two years of his three-year sentence, the governor's office was flooded by letters from citizens, many of them prominent, urging his release because, they said, of his complete moral rehabilitation.

Stalin may get some comfort out of the fact that the Finns are doing a better job of purging his army than he could do himself.

Sidelight on war—The British Contraband Control recently seized 2400 pairs of baby's rubber pants as contraband.

Say what you like, it's taking the Democrats to bring us to our senses.

Robbers Returned To Face Charges

Trio to be Arraigned in Silvertown Justice Court Today

Deputy Sheriff L. L. Pittinger returned yesterday from Olympia bringing with him the three robbers, Frank Wilson, 25, his wife, Juanita, 24, and James L. Sterling, 36, wanted on a charge of burglary not in a dwelling at the Allen brothers garage in Silvertown on December 27. They will be arraigned today in Silvertown justice court.

Along with the prisoners, and two tires and tubes, all stolen from the Silvertown garage and found with other items which the trio admitted stealing on other occasions in Washington, California and Arizona.

Sterling and the Wilsons were arrested by the Olympia city police recently when the latter became suspicious of an unusual quantity of miscellaneous household articles and automobile accessories stored in the rear compartment of a coupe which they were driving.

Following their arrest and identification, the three admitted the Silvertown theft, as well as the others in other states. All have lived intermittently in the Silvertown neighborhood during the last five years, they told investigating officers.

Visitors Banned From Submarine

PORTLAND, Jan. 5.—(P)—The navy's new submarine Swifd fish will be forbidden ground for visitors here.

The tender craft, sister ship of the ill-fated Squalus, arrives late Sunday on a shake-down cruise from Pago Pago and Honolulu. She will be in the harbor Monday and Tuesday but the navy will prohibit general visitation because of the international situation.

Mayor Quick Follows Up on Revision Plan

Committee to Be Named to Study System for Salem

Councilmen, Laymen to Be on Group to Map Program

By RALPH C. CURTIS

In the hotel business where it's "here today and gone tomorrow" so far as individual patrons are concerned, one learns that service has to be prompt to be any good at all. Whether that's the explanation or not, Salem's "mine host" Mayor W. W. Chadwick, is taking steps with all the promptness of a bellboy to do something about the city's need for charter revision which he pointed out in his annual message to the city council on Tuesday night, and the indications are that the machinery will start rolling at the next council session.

At that time a resolution will be introduced authorizing appointment of a committee to study the need and advisability of introducing the council-manager form of government in Salem. The same committee would be authorized to draft the necessary charter amendment creating whatever type of government is deemed most adaptable to Salem's needs.

Measure May Make May Ballot

While the preliminary survey and the drafting of the selected plan into charter amendment form would require considerable time, it is expected they may be completed in time so that the issue may be balloted upon at the time of the primary election in May.

In his annual message the mayor suggested for this purpose a committee of three aldermen and six other citizens. In announcing that he would "follow up" promptly with a request for authorization, Mayor Chadwick reported that since the Tuesday night communications (Turn to page 2, column 1)

Expense Is Key To State Exhibit

Sprague not to Ask Fund Unless Charges Are Reasonable

Whether the state of Oregon will have an exhibit at the San Francisco World's fair this year will depend largely on the rental and service charges, Governor Charles A. Sprague declared here Friday.

Governor Sprague indicated that if the cost was not too great he might ask the state emergency board for an appropriation to continue the exhibit at this year's fair. He said the state highway department and other state activities might contribute to a fair fund.

The governor said the appropriation and contribution for Oregon's exhibit at the fair last year were nearly exhausted.

"I will not ask the emergency board for any funds to maintain an exhibit at the San Francisco fair this year unless I am convinced that the rental and service costs are reasonable," Governor Sprague said.

Highway department officials said Oregon's exhibit at the San Francisco fair in 1939 resulted in attracting many tourists to this state.

Freezing Weather Follows Day of Brilliant Sunshine

After Salem residents had spent most of the day yesterday enjoying the sun and the view of the ancient Egyptian worshippers of Ra, the sun-god, and the Willamette valley was bathed in the brilliant rays of the kindly sun, the temperature dropped below freezing again last night, with the official government weather bureau reading at 31 degrees above zero at 10 o'clock.

The freezing temperature was the first of the new year, and the weather reporter said that mercury started climbing again before midnight. Cloudy weather with some rain is forecast for today and Sunday, with snow in the mountains. Precipitation, recorded every day so far, stands at 1 1/2 inches for 1940.

(By The Associated Press)

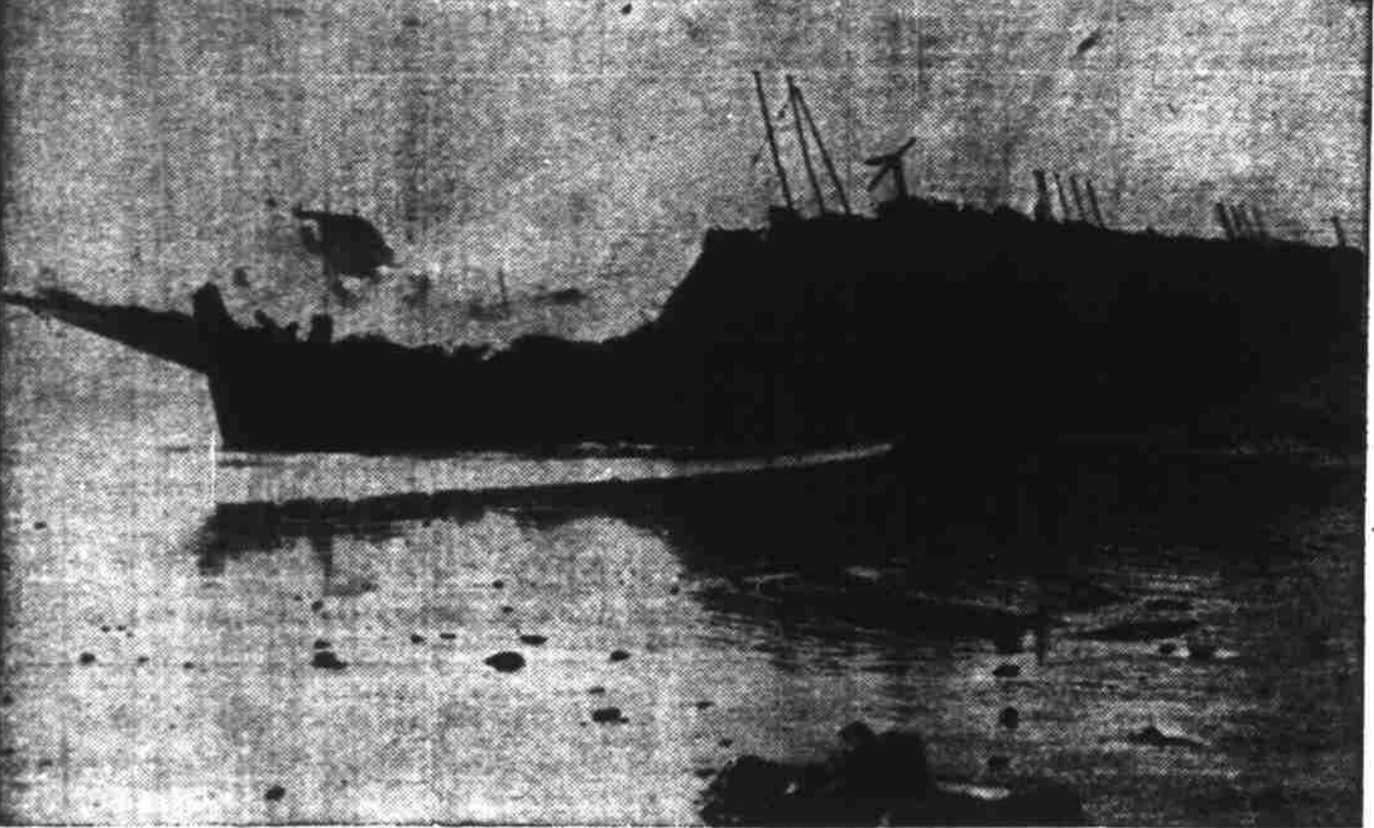
A wave of zero cold led the midwest yesterday (Friday) and swept on toward the north Atlantic seaboard.

Temperatures fell under the zero mark in a dozen states between the Rocky mountains and Ohio with temperatures of -25 registered in Bismack and Williston, ND, and Glendive, Mont.

The lowest readings in almost four years were reported at several Illinois points. Minima of -9 in town and -16 at the airport gave Springfield the chilliest day since January 23, 1936. Mt. Carmel's -9 was the coldest since early in the same year. The mercury 11 in Chicago's official thermometer dropped under the zero notch for the first time since February 19, 1936, and reached -4 before rising slowly to 17 above.

Ohio experienced its severest snap since 1926. Zero temperatures were reported in Cincinnati and Toledo and -5 in Napoleon.

HULK WON'T BURN; IS COUNTY HEADACHE



Engineers and WPA workers have about given up the idea that they can get rid of the unsightly wreck of the sailing vessel Minnie A. Caine. They tried it, but it wouldn't burn; the WPA men wanted to dynamite it, but the engineers wouldn't let them because of the danger of slides and danger to homesite property nearby. The derelict was washed ashore near Santa Monica, Calif., last October in a heavy storm, and has remained to plague authorities ever since—and apparently will remain.

'39 Tax Receipts Over Year's Levy

\$1,767,686.03 Estimated Total County Take in 12 Months

Preliminary tabulations show that Marion county collected \$1,767,686.03 in current and delinquent taxes during the fiscal year of 1939, or 103.23 per cent of the total tax roll for last year, according to T. J. Brabec, chief tax collector in the county sheriff's office.

Of the total figure, \$1,460,709.57 from the current tax roll for 1939, and \$316,976.46 from taxes then delinquent. Total collections showed an improvement of approximately one half of one per cent over the previous year of 1938, using the total tax roll for each year as a percentage base.

Collection of delinquent taxes, Brabec averred, showed a marked increase during the last year, according to his figures, \$283,861.12 was collected in this category as compared with the \$316,976.46 for the year just passed. Total turnovers for the year made to the county treasurer amounted to \$1,768,687.75.

The tax collector is expected to issue his general reports for the last year within the next week or two.

Norway, Sweden Warned by Nazis

BERLIN, Jan. 5.—(P)—In pointed words apparently reflecting growing official concern over developments in Scandinavia, the Nazi press today warned Norway and Sweden anew against providing transit for British-French military aid to Russian-invaded Finland.

The newspapers, which called upon the two northern countries to "clearly their positions," simultaneously sharpened their drive against League of Nations members who were referred to as "so-called neutrals" for agreeing to fulfill the league covenant by aiding Finland.

The league, of which Germany ceased to be a member in 1935, is considered in official nazidom as a British-French tool. Hence any country remaining a member is held by the nazis to be more or less on the allied side.

Nowhere, however, had this understanding of disagreement come into the open, and the cabinet shift was a surprise, all the more complete because the war secretary had carried out sweeping reforms of material and personnel of British armed forces before the outbreak of European hostilities last September, and then supervised the embarkation of a modernized expeditionary force for France.

Lord MacMillan's ministry—of necessity organized hastily at the outbreak of the war—has been under fire from the house of commons and the press. Complaints largely were over the effectiveness of Britain's propaganda and the handling of official announcements.

In a letter accepting the resignation of Hore-Belisha, Chamberlain reaffirmed his determination to be stern in carrying on the war, saying: "There is not now and never has been any difference between us on policy and in particular on the necessity for prosecuting the war with the utmost determination to a successful issue."

Many Absent

ALBANY, Jan. 5.—(P)—Seven teachers and 160 students in the Albany public schools were absent today because of influenza. The illness has abated, however, from the pre-Christmas holiday, from the 300 students, Superintendent R. E. McCormack said.

Cabinet Reorganization By Chamberlain Surprise

War Secretary, Information Minister Ousted by British Prime Minister; Stanley to Take Over Direction of Soldierly

LONDON, Jan. 5.—(AP)—Prime Minister Chamberlain unexpectedly reorganized his cabinet today by dropping his war secretary, energetic Leslie Hore-Belisha, who was reported to have differed "violently" with the general staff on army administration.

In the shuffle, Lord MacMillan, minister of information who had come in for the bulk of Britain's criticism of their censorship, also retired.

To Oliver Stanley, president of the board of trade, a wheelhorse of the conservative party and whose father was war minister in 1916, went the task of directing Britain's war office.

Sir John Reith, famous for his direction of the British Broadcasting Corporation and head of Imperial Airways, takes over the ministry of information portfolio, and Sir Andre Rae Duncan, steel and iron lawyer who had not been active politically heretofore, becomes the new president of the board of trade.

Soviet Planes Strike Again In Southwest

Smashing Victory by Finns Reported Unofficially

Routed Russ Retreat in Confusion in North Sector

By LYNN HEINZLERLING

HELSINKI, Jan. 5.—(P)—Soviet warplanes struck again today at southwestern Finnish successes on the eastern frontier and said that Russian planes continued raids on the ancient port of Viipuri, on the Gulf of Finland, and attacked the inland town of Voikka, where two persons were killed and 16 injured.

From Tornio, on the Finnish-Swedish frontier, came unofficial advice, however, that the Finns had delivered another crushing blow to the Russians at Salla, 125 miles north of Lake Kianta, scene of last week's virtual destruction of the soviet 163rd division.

Routed Russians Retreat In Great Confusion

The routed Russians were reported retreating in great confusion from Salla, just above the Arctic circle, toward Kandalaska, their soviet base.

The vital Murmansk-Leningrad railroad, Russia's supply line to the north, is only 40 miles from the frontier in this vicinity, and observers declared the new victory might presage destruction of the line.

There have been previous reports from the northern and central Finnish ports of successful raids against the railroad at several points by elusive Finnish "ski cavalry."

These reports and the accounts of the latest victory led nature observers to believe that the Red army would be forced to abandon efforts in the north and confine its invasion to the Karelian isthmus to regain its strategic Finns' Claim Victory

In Winter War

The Finns already have declared that "the winter war in the north is ours."

Without the Murmansk railroad, Russia would have trouble getting supplies to her forces in the north but could continue moving men and munitions to the Karelian isthmus through Leningrad.

The Finnish high command, in a communique dealing with yesterday's fighting, said its troops had killed 400 Russians and took 40 prisoners in two encounters on the eastern fronts.

On the Karelian isthmus the high command said there had been lively artillery activity, and a Russian night attack at Kirri, which was repulsed.

In one eastern front attack, (Turn to Page 2, Col. 8)

Woman Candidate For Legislature

Mrs. Joe Rogers, sr., Independence, Friday filed in the state department here for state representative in the legislature from Polk county. She is a republican.

Mrs. Rogers was a candidate for representative from Polk county two years ago but was defeated in the primary contest.

Britain Held Responsible For Damage to US Vessels

WASHINGTON, Jan. 5.—(P)—A sharp warning to Britain, holding her responsible for any damages suffered by American ships forced to proceed into the forbidden area for examination, was announced by the state department today after the American vessel Neutrality was taken by the British into Kirkwall, Scotland.

Secretary of State Hull addressed the note to the British ambassador on December 14 but it was held secret in the hope the British would abide by its warning. The department had resolved, however, to publish it the moment the first case occurred.

That moment arrived with the receipt of dispatches saying that the 4996-ton freighter Mormann, of the Moore and McCormack line, enroute to Bergen, Norway, had been forced by the British to go to Kirkwall. This is a British control port, about 240 miles inside the combat zone which the neutrality act forbids American ships to enter.

The state department immediately dispatched a cable to the American embassy in London, instructing the embassy to communicate with the master of the Mor-

Candidate Bares Juggling Secret



SEN. ROBERT A. TAFT

Taft Tells FR Budget Scheme

Presidential Candidate of GOP Answers Challenge of President

CHICAGO, Jan. 5.—(P)—Accepting a direct challenge from President Roosevelt, Senator Robert A. Taft (R, Ohio), offered a five-point program tonight which he said would balance the national budget within two years at a figure of about \$7,000,000,000.

The Ohio senator, a candidate for the republican presidential nomination, titled his speech "Mr. Roosevelt: Here's How to Balance the Budget." He spoke at a Chicago Bar association banquet. The speech was broadcast nationally.

Taft listed these five requisites: "First: The president must wish and be determined to balance the budget.

"Second: Eliminate bureaus, reduce number of employees, reorganize.

"Third: Change method of handling relief, housing, agriculture, government loans.

"Fourth: End grants for hotels. (Turn to Page 2, Col. 7)

Chicagoan Admits Murdering Woman

Scolding for not Getting Job Given as Reason for Trunk Slaying

CHICAGO, Jan. 5.—(P)—Chief of Detectives John L. Sullivan said tonight the Sam Delao had confessed killing Mrs. Nellie Sharp, 65, whose body was found stuffed in a trunk abandoned in an alley.

Delao is the husband of Mrs. Sharp's daughter, Cleota. The mother, a maid at a North Side hotel, had lived with the couple for some time.

Sullivan said Delao admitted after hours of questioning that he beat the aged woman with a club early yesterday morning when she began to berate him for not getting a job.

After she was dead, Sullivan quoted Delao as saying, he gagged her body in a trunk owned by the victim, tried to erase blood stains in the house and waited until last night to dispose of the trunk.

Sullivan said Delao told him he then asked a neighbor, Natalie Fentaro, to take the trunk to the alley and dump it. He said he was found early today by a negro junkman.

House-Senate Group Sought In Resolution

FDR Believed in Favor of Independent Organization

Oregon Solon Says new Taxes Not Required to Reduce Total

By RICHARD L. TURNER

WASHINGTON, Jan. 5.—(P)—The idea of an independent congressional study of one nation's budgetary needs won widespread support today, and there were indications the administration itself was thinking favorably of the proposal.

Republicans of the senate formally took it, with the added suggestion that national defense needs be studied by a similar committee, and Chairman Doughton (D-NC) of the house ways and means committee, after visiting President Roosevelt, gave it his tentative blessing.

Doughton was known to have been unfavorably impressed when the suggestion first was broached yesterday by Chairman Harrison (D-Miss) of the senate finance committee. His "conversion," as some called it, came as a distinct surprise to those who had been watching the situation.

Harrison Plan Asks 60-Day Delay

The Harrison plan called for a 60-day delay in action on taxes and appropriations. Meanwhile, a joint committee of 24, drawn equally from the senate and house committees which handle revenue and appropriations, would make its own investigation of budgetary requirements.

Democrats of the senate, most democratic house leaders were inclined to say little about the Harrison proposal. They were inclined to fall back on the plea that the original tax and appropriations bills should be passed, not to be shared with the senate. The house traditionally is touchy on such points.

In addition, they were reluctant to break the original tax and appropriations schedule which calls for shooting one appropriation bill after another through to enactment; so that an orderly and early adjournment of the session, most of the GOP House leaders would welcome study.

Representative Martin of Massachusetts, house republican leader, said he would welcome a fiscal year message of the week, although he declined to comment on details of Harrison's plan for the time being. House minority members will hold a conference next week.

The republicans of the senate met for nearly two hours and discussed a number of questions raised by President Roosevelt's two messages of the week. Senator McNary of Oregon, the minority leader, drew up a pencilled resolution which was adopted, then the members left, many carrying unabridged copies of the (Turn to Page 2, Col. 4)

Monmouth Signs With Bonneville

PORTLAND, Jan. 5.—(P)—Bonneville power administration signed a 20-year contract today to deliver 400 kilowatts of energy to Monmouth, Polk county municipality.

The city will take delivery of power as soon as it acquires a distribution system. Mayor F. R. Bowersox advised Administrator Paul J. Raver that negotiations had started for purchase of the Monmouth State Power plant facilities in and adjacent to Monmouth.

Retail rate schedules were not set up in the contract but it stipulated that the city and administrator agree on reductions before delivery begins.

The Day in Washington

(By The Associated Press)

The proposal of Chairman Harrison (D-Miss) of the senate finance committee for an independent congressional study of budget needs gained formal approval of senate republicans and tentative approval of Chairman Doughton (D-NC) of the house ways and means committee.

Theodore Freter, former investigator for the national labor relations board told a house committee, favorably indicated the Indianapolis regional office handled CIO cases but threw out AFL cases.

The United States sent a sharp warning to Great Britain, holding that nation responsible for any damages suffered by American ships forced to proceed into the forbidden combat area for examination at contraband control ports.