

Mayor Follows Up on Changes

Committee Will Be Named to Study System for Salem

(Continued from Page 1)
At meeting he had encountered almost unanimous support among citizens with whom he has talked for some sort of modernization of city government.

While the mayor has not reached a definite conclusion on the type of government that might best be substituted for Salem's unwieldy system, styled a "three-ring circus" recently by a visiting speaker, visitors to His Honor's office in recent weeks have observed atop his otherwise orderly desk a number of books, pamphlets, reports and charts indicating that he is giving close study to the council-manager plan.

Manager-Council Compromise Studied

While the selection of a system will be left up to the committee to be appointed in case the council approves, the mayor has been studying the possibility of a setup which would involve the essentials of the manager plan while retaining some features of the present system.

Principal objection to the existing setup pointed out by students of municipal government, is its division of authority and responsibility which makes apt the "three-ring circus" description. Every function of city government is administered either by an independently-elected official, such as the treasurer, recorder, or by a council committee which makes reports to the council as a whole, whose only control is financial.

Oregon City System Fine Example

In contrast with this the municipal government of Oregon City, one of the best-managed of cities in this state, is remarkably compact. The voters elect a three-man commission, one of whom is mayor for ceremonial purposes only. The commission appoints the recorder, treasurer, judge, the library board and the boxing commission. The city commission establishes policies but leaves administration of all remaining functions to the city manager, whom it also appoints.

The city manager is responsible to the commission for the operation of fire and police departments, streets, sewer, parks and engineering service all in one department, elevator, health, cemetery, treasurer, city attorney and the water department.

As an official to do so, the city manager actually supervises all of these departments and sees to it that they cooperate. Though the reason may or may not be apparent from this brief description, Oregon City's business is efficiently conducted and its financial affairs since the system's adoption has been outstandingly gratifying to its citizens.

Morningside Road Job Is Continued

The county court yesterday continued the petition of T. L. Davidson and others for a new road in the Morningside district south of Salem until a future meeting. Its action was prompted by Davidson's forced absence because of sickness and also by a wish to continue investigation into the general subject of suburban county roads which the Morningside petition has prompted.

When Davidson's request was submitted to the court in December, its members agreed to investigate the circumstances under which roads built in suburban districts could be accepted as county roads for maintenance, or whether the county would better build the roads at the outset as well as accept them for maintenance following completion.

Information received by the court has shown that cost of suburban roads is about \$1000 per mile. Should the county adopt a policy of accepting roads already built for future maintenance, it would probably issue specifications for width and gravel which might change such cost.

Rites Set Monday For Siletz Woman

Pearl Franke, 20, of Siletz, died Thursday at Toledo. She is survived by the widower, Milo W. Franke; daughter, Loretta May; mother, Mrs. Frank Dorman; two sisters, Mrs. Ida Worley of Turner and Mrs. Helen Green of Beaverton, and a brother, Fred Biggs of Seio.

Funeral services will be Monday, January 8, at 1:30 p. m., at the Evangelistic Tabernacle in Salem. Arrangements are in charge of the Toledo funeral home.

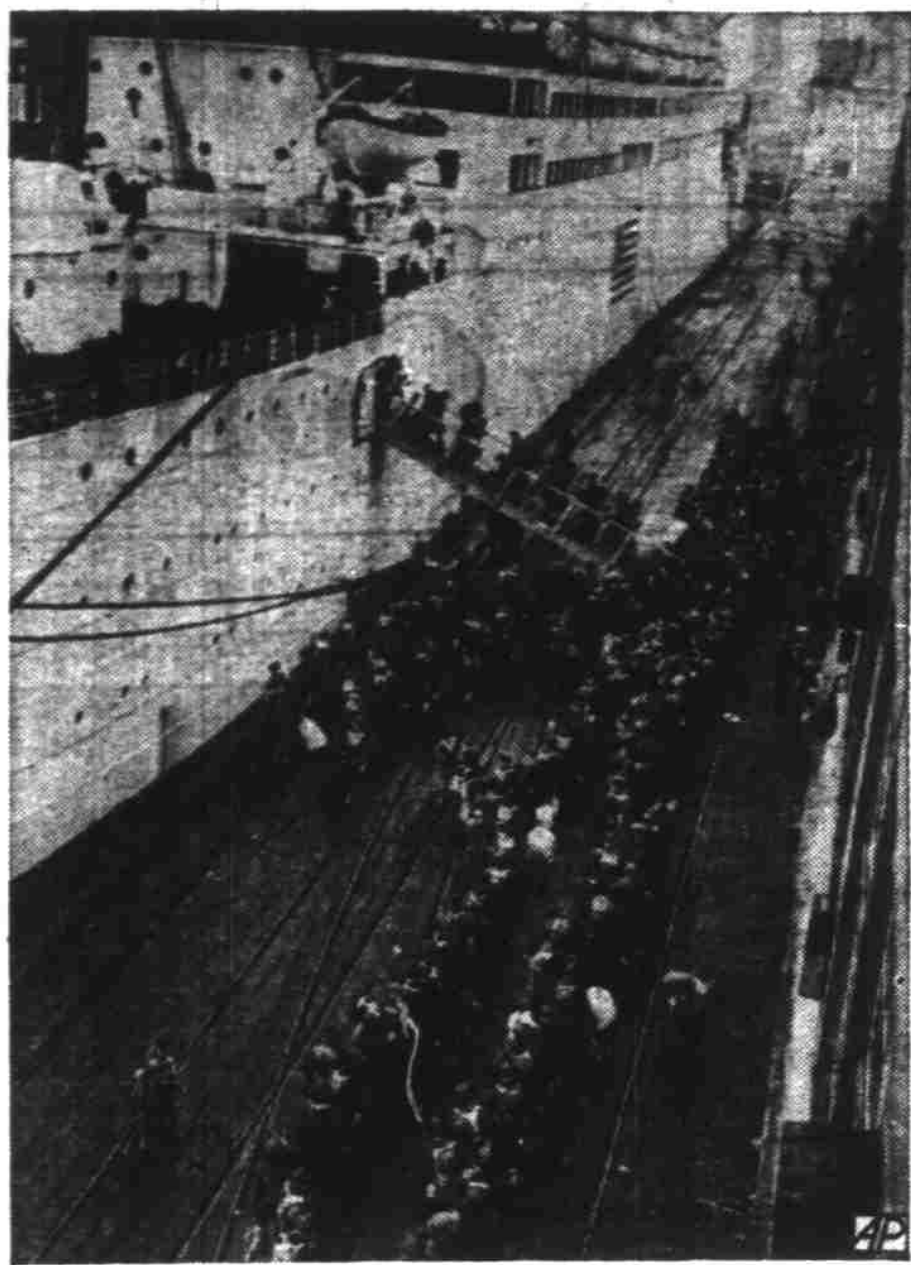
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Troops Embark for War Games



Infantrymen from Washington and Montana are shown boarding the army transport Republic at Tacoma, Wash., enroute south for a mock "attack" on the California coast in the largest peacetime army-navy war games in the nation's history. Over 7000 men comprising the "black" enemy will attack defending "blue" troops somewhere between San Francisco and Santa Barbara.

Gilbert Explains Bank Difficulties

Too Much, not Enough US Regulation Equally Undesirable

Banking by government agencies and private banking without government regulation have proven equally unsatisfactory in the United States, it was observed by Tinkham Gilbert of the Ladd & Bush bank who addressed members of the Salem Realty board at their regular luncheon meeting Friday. Private banking without reasonable supervision has been the successful formula, but banks and other business must guard against government's inevitable tendency to expand and to extend regulation, he added.

Since this encroachment and limitation of business is general, different types of business would be wise to resist it cooperatively, the speaker declared. He said it was a widespread fallacy that government is always right, that government officials' judgment is better than that of persons in private life. Because the reverse is true, Gilbert said multiple supervision of various functions of banking was preferable to a single control.

Sheet Withstands 12 Years' Usage

Twelve years' wear and yet as good as new is the unusual record of a sheet on display at J. C. Penney store. While the sheet has not actually been in use 12 years, the extra-hard test-use to which it has been put is estimated to equal 12 years' wear in a home, according to Ed Bissell, assistant manager of Penney's.

Trustees Review Memorial Works

Improvements made during the past year were reviewed by the trustees of Turner Memorial home at the annual meeting this week. Two cottages have been completely remodeled, the main building has been partly roofed and repainted and much work has been done on the grounds, it was reported.

Trustees elected at the meeting are Dr. H. C. Epley, president; Curtis C. Cole, vice-president; Henry Loop, secretary; Norris J. Reasoner, assistant secretary; Elmore J. Gilstrap, superintendent. Other committees include the burial committee, composed of resident pastors of the Christian churches of Marion county, and the finance committee, of which Fred E. Bates is secretary. Affairs of the various trusts reported upon. One of these, the Davis estate trust, shows an inventory of over \$100,000, mostly in real estate.

House-Senate Group Sought

FDR Believed in Favor of Independent Organization

(Continued from Page 1)
budget, a volume the approximate size of a large city telephone directory.

McNary answered reporters' questions while Senator Vandenberg (R-Mich.), surrounded by photographers, made a typewritten copy of the resolution from McNary's scribbled notes. It said: McNary Resolution Asks Joint Committee.

"Agreed that the conference approves the Harrison proposal for a joint congressional committee to investigate and report upon budgetary matters including both appropriations and revenues and that the conference requests an extension of this procedure through the creation of an additional similar joint congressional committee to deal with national defense and appropriations therefor, including an examination of last expenditures and the adequacy of results therefrom and a survey of national military policy."

Questioned on taxes, McNary said it was felt that there was no need for new revenue legislation at this session, that the same result could be achieved by further reducing expenditures.

Questioned about the McNary proposal, Senator Harrison said that "naturally" the committee he proposed would go into national defense questions. He would have no objection to having the military and naval committees represented, he said, but it would be "too cumbersome" to accord them representation by resolution.

Payroll Tax Will Double February 1

Employers Get Advantage of Lower Rate Paying by January 31

Unemployment compensation commission officials Friday warned that nearly double tax on employment insurance is faced by corporations and individuals employing eight or more persons unless payments on their 1939 payrolls are made this month.

The three per cent federal tax may be offset up to the 2.7 per cent contributed to the state unemployment compensation fund. If the state payment is not completed and a certificate filed under title IX of the federal act before January 30, 1940, the employer becomes liable for both taxes of a total of 5.7 per cent, officials said. Penalties and interest also are chargeable against delinquents.

Those employing from four to seven persons must pay the state unemployment tax of 2.7 per cent but are not subject to the federal social security act.

Hearing Set for Cut in Oil Rates

Hearing on a rate schedule promulgated by the Union Pacific Railroad company November 3, involving reduced rail charges on petroleum and petroleum products shipped from Portland, Willamette and Linnton to other Oregon points, has been set for January 29 in Portland, State Utilities Commissioner Ormond R. Bean announced Friday.

Norway, Sweden Warned by Nazis

(Continued from Page 1)
and Sweden in war against Germany.

Hood River PUD Gets Court Test

HOOD RIVER, Jan. 5-(AP)—Two suits testing the validity of the Hood River people's utility district will be heard Monday by Circuit Judge Fred W. Wilson.

Singer, Socialite Aid Campaign

Opera Star Gladys Swarthout and Mrs. Walter Hoving, New York social registerite, were two of the women who met recently with former President Herbert Hoover to discuss plans for bringing the women of the country into the campaign for the Finnish relief fund, of which Mr. Hoover is chairman.

Oldtime Mat King in Comeback



Five time holder of the world's heavyweight wrestling title, Ed "Strangler" Lewis is pictured as he opened a conditioning campaign recently in Los Angeles for a mat comeback. Lewis, now 250 pounds, has as his objective a match with Jimmy Londer, present heavyweight king, whom he beat 15 times straight some years ago. He is shown demonstrating one of his famed strangle holds on Photographer Ben White.

Food Stamp Plan, in Effect now in Multnomah County, May Be Extended To Rest of Oregon, if Successful

By PAUL W. HARVEY, JR.
Associated Press Writer
Multnomah county's food stamp plan, which Secretary of Agriculture Henry A. Wallace says may be extended to 90 or 100 cities throughout the nation, may bring a measure of prosperity to Oregon farmers and retailers, as well as give persons on relief 50 per cent more food.

Jack Luhn, state public welfare commission chairman, says the plan would result in \$1,250,000 of additional retail business in Oregon this year. Between 60,000 and 75,000 persons are eligible to benefit from the plan, which may be made statewide if things work out as expected.

The plan which went into effect in Multnomah county three days ago, permits each member of a relief family to spend at least \$1.50 for food, instead of the \$1 which was spent before food stamps were available. The extra 50 cents is used to purchase surplus commodities.

There is little opposition to the plan, which has been tested in several other cities. It has been criticized, however, because it gives NO help to low income families who don't make enough to have adequate food but yet who have sufficient incomes to keep off relief.

Secretary of Commerce Harry Hopkins said in his annual report that 40,000,000 Americans are members of families earning \$9 a week or less, and these families have only five cents a meal per person for food. He thought what a fine thing it would be for all of America if these families could earn only a little more.

Of the stamp plan, Hopkins said it is "significant, NOT merely as a technique for the solution of a critical problem, but as a demonstration of the benefits derived by all parts of the economy from adjustment to a higher level of consumption."

Secretary Wallace, whose department administers the plan, said this about the program in several other cities: "It has been a wider market for the farmer and supplementing the diet of needy families, the operations of the stamp plan program help all business by flowing about an inflating force which would not flow through the normal channels of trade."

He said, however, it will take a long time to determine definitely the complete economic effect of the program.

States which have trade barriers had better be careful, because the federal government will get it if they don't watch out. Federal officials are going right down the line against restriction which states have placed against each other. Some states try to keep out agricultural commodities of other states, while most states have methods of penalizing out-of-state motor traffic.

First the US public roads administration threatened that states which have these barriers won't get any federal road money. Then Secretary of Interior Ickes and other cabinet officers joined the parade.

The most recent threat came from Secretary of the Interior Hopkins, who said this week: "While primary responsibility rests upon the states, the department of commerce must be interested because of the restrictive effect of these regulations on interstate trade. The department plans, therefore, to take an active part in a concerted program by all interested parties to reduce such barriers to a minimum."

Engineers Honored

PORTLAND, Jan. 5-(AP)—Life membership certificates in the American Society of Civil Engineers were presented William G. Brown and John H. Lewis, Portland, tonight.

Taft Tells FR Budget Scheme

Presidential Candidate of GOP Answers Challenge of President

(Continued from Page 1)
cal public works; reduce federal public works; reduce subsidies.

"Fifth: Play no favorites; subject army and navy estimates to critical analysis."
If these five things are done, Taft said, "the budget can be balanced at a figure of approximately \$7,000,000,000, without abandoning a reasonable allowance for relief, old age pensions, housing and soil conservation. If prosperity returns, our present tax system should provide that amount of money."

If it failed to do so, the senator added, "we will have to increase taxes, or the alternative is worse."
Taft said his authority for budget balancing proposal and "the figure at which it can be balanced is—no, was—Franklin D. Roosevelt."

The republican senator said the offer of President Roosevelt to award him a handsome prize if he could show how to balance the budget was an admission "that he (Roosevelt) is unable to get the government, or the country back to normal."

Unless the federal government makes both ends meet, Taft warned, inflation will result such as that in Germany when a pair of shoes cost \$1000 to \$100,000. Taft constantly assailed the administration policy of deficit spending and "pump priming" as "a policy which will destroy all the good that may come from the reforms he (Roosevelt) has instituted."

Opening his address, he said the president's recent budget message to congress "moves very gingerly in the right direction," but "a good deal more will have to be done."

"There is no serious evidence that the president wants to stop spending," he said.
Taft said the president should have used his veto power on congressional appropriations, saying "he has not vetoed a single spending bill since the bonus bill of 1935."

Scots to Honor Burns' Birthday

Salem Scots will celebrate the 151st birthday anniversary of Robert Burns January 25 with a gathering at 8 p. m. at the Cherry City Bakery hall. The Salem Caledonian club is sponsoring the event.

Dr. D. J. Ferguson, pastor of the First Presbyterian church at Albany, will give the main address. Other program numbers will include solos by Mrs. William Tschopp, James P. Smart, William Dunville, William Hagedorn and Robert Hutchens and pipe selections by W. R. Tomison of Silverton. William McGilchrist will be toastmaster.

Petitions Out

ST. HELENS, Jan. 5-(AP)—Petitions were circulated here today to form a Columbia county people's utility district embracing the area from the Multnomah county line to the Astoria town near Clatskanie. Incorporated cities would not be included.

Soviet Planes Strike Again

Smashing Victory by Finns Is Reported Unofficially

(Continued from Page 1)
northeast of Lake Ladoga, the Finns reported the Red army beaten back with the loss of 150 killed. A second soviet drive at Shoomussalmi was said to have been repulsed at an enemy cost of 250 dead and 40 prisoners.

Finnish commanders reported that the Russians failed in another attack at Aittojoki but made no mention of casualties.
The Finns remained tight-lipped about their activities behind the Russian lines but it was known they have been active both by air and land.

Informed sources discounted frequently heard reports that the Murmansk railroad had been "cut to pieces" but they acknowledged that it "probably had been attacked."

Meanwhile, bitter cold settled down over the country, the temperature reaching eight below in Helsinki and 20 to 40 below in the north and east.

'Thin Man' Takes Hollywood Bride

William Powell's Marriage to Young Starlet Is Colony Surprise

HOLLYWOOD, Jan. 5-(AP)—William Powell, 47, suave and debonair film star, and Diana Lewis, 21, pretty, auburn-haired actress, were married today beneath a bower of flowers on a Nevada dude ranch, climaxing a three-weeks' romance.

Hollywood heard the news with open-mouthed surprise. Few knew they were acquainted and almost none suspected their friendship was more than casual.

Since Powell's well-publicized romance with the late Jean Harlow—they were engaged when she died—he had consistently sidestepped such attachments. He returned to the screen only recently after a year's serious illness.

Best known for his dapper detective roles—such as "The Thin Man" series—he had been married twice before, the last time to Actress Carole Lombard, now Mrs. Clark Gable. He has been in pictures for nearly 20 years.

In contrast, his bride is a rising young starlet. She has appeared in a few films, notably "She Couldn't Say No," and will return Monday to take the feminine lead in "Forty Little Mothers." She is five feet tall and weighs 100 pounds, and is the daughter of Mr. and Mrs. J. C. Lewis of Ashby Park, N.J., veterans of vaudeville.



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