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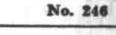
Weather Cloudy with rain today and Monday. No change in temperature. Max. temp. Saturday 84, min. 80, River

5.1. North wind.

EIGHTY-NINTH YEAR

Salem, Oregon, Sunday Morning, January 7, 1940

Price 3c; Newsstands 5c



Stiffened Finn Defense Takes Plane Toll

Resignation of

Fry Expected

In One Ear ... Harrison, FDR Werner Reelected

Whenever anybody mentions the dangers of inflation, as Senator Taft did Friday in his bud-

get balancing speech, Dr. Bruce Baxter shivers a couple of times and pulls from his files an envelope in which he received a letter from Germany in January, 1924. The letter, mailed just about a

week before Ger- Paul & Gauser in many ended its inflationary period by going on the goldmark, bore stamps for four billion marks. At the old pre-war rate of exchange that would have been over with President Roosevelt about a billion dollars to send a today his plan for congress to letter from Berlin to the USA.

flation came when he was in Ger- felt it was a step in the right Ernest Werner, Silverton, was remany along about 1923. He had direction. just arrived in the country and on the train had no occasion to spend any money. Arriving in Berlin ever, by a statement from Senaearly in the morning of a bitterly cold day he hired a taxi to take luncheon guest of the president, him to a small hotel.

When the taxi reached the destination Dr. Baxter asked the fare and the cab driver responded with a figure that was in the hundreds sures already prepared. of thousands of marks.

Unfamiliar with the rate of exchange and afraid he was being Roosevelt's budget for 60 days taken for an American sucker, Dr. Baxter hauled out the assistant manager of the hotel, who spoke Usual Procedure some English. That worthy came Favored by Byrnes to the entrance of the hotel in a nightshirt, shivering as a bitter wind whipped about his legs.

Dr. Baxter explained the diffi- revenue committees. culty and that he feared he was being robbed.

"Do you know how much that is time to go along with the usual in your money?"

Dr. Baxter confessed that he

-Paul Hauser's Column Ponder Budget Study Measure

> President Is Mildi, in Favor of Two-House Group

Little Business Is on **Congressional Slate** for Next Week

Senator Harrison (D-Miss) talked write its own budget, and re-Dr. Baxter's introduction to in- ported that the chief executive

> Doubt that the idea might be carried through was raised, howtor Byrnes (D-SC), who was a that house leaders were "about right" in contending that the

sideration of those supply mea-Harrison's proposal is that the house and senate create a 24man committee to study Mr.

and then make its own recommendations.

and senate appropriations and Byrnes, an influential member

of the senate appropriations com-"That's your fare," said the ho- mittee, made it clear that he tel manager, his teeth clattering. thought it would be best at this congressional procedure. "Desirable as it might be to



WASHINGTON, Jan. 6 .- (AP)-

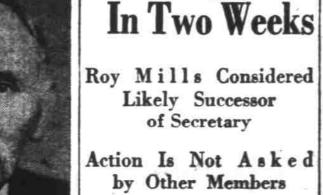
tion is on page 8.

house should go ahead with con-Woman Is First

Mrs. Clara H. Knowles

The committee would be composed of members of the house

Winter streets. The driver, Georgetta Washing-



Control Board

By STEPHEN C. MERGLER Dan J. Fry, whose ouster as secretary of the state board of control has been reported in some newspapers as impending, is expected instead to resign voluntarily within the next two or three

weeks to accept another position, elected president of the Marion ordinarily well-informed sources County Farmers union at the said at the capitol yesterday. quarterly meeting of the organ-

Fry said late last week he was ization at Gervais today. Other proceeding with his state duties officers of the group also were 'as usual. reelected. Story of the conven-

Democratic circles have mentioned the possibility that he might receive appointment as federal housing administrator for Oregon as successor to the late Jameson Parker.

Mills Likely Successor To Secretary Post The same sources that predict-

ed Fry's resignation, also suggest-ed that Roy Mills, of the state banking department's liquidation division, as most likely successor to Fry. He has been with the banking department since 1932. is

No developments have been in-

Earle, democrat, who came to Sa-

What do Washington reports

on President Roosevelt's budget

cials and an answer is not yet

The varying designations of

tin appointment.

Highway Board

FR Budget Puzzles

commissioner, now held by Hugh settlement.

or war.

our arms."

Salem marked up its first traf-a son-in-law of the late State Sen-ator Charles K. Spaulding. That these reports are not fic fatality for 1940 last night when Mrs. Clara Haydn Knowles, based on action decided upon by 43, died a few minutes after an the three members of the state automobile in which she was rid- board of control was indicated in ing was struck by a Southern Pa- the comment of Governor Charles A. Sprague that he had not discific switch engine at Trade and cussed the position recently with the other two members, Secretary of State Earl Snell, republican,

Bullet-Riddled Nazi Plane Is



The French caption of this photograph describes it as the bullet-riddled pilot's post in a German plane brought down by French aviators in an aerial battle. Arrow points to spot where bullets smashed through fuselage, circles show bullet holes.

Germans not All Rumanians Stand Of Opinion That Ready for Fight Feuhrer Savior

Downed by French in Dog-Fight 22 Russian Planes **Claimed Shot Down By Army Defenders**

Another Effort by Soviet to Sever **Finnish "Waistline" Reported Repulsed; Mikkelli Harmed**

Eight Each in Last Two Days Held Toll of Northern Airmen and Anti-**Aircraft Defenses**

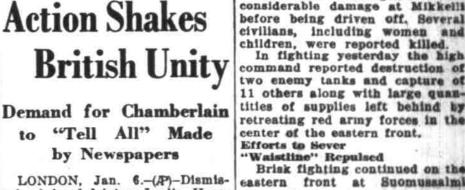
By LYNN HEINZERLING HELSINKI, Jan. 6.— (AP)—Twenty-two Russian warplanes-possibly more-have been shot down in the last two days by Finland's stiffening air defenses, military circles asserted tonight.

An army communique officially accounted for eight soviet machines destroyed yesterday at Mikkelli-railroad town about 135 miles northwest of the Karelian isthmus frontier.

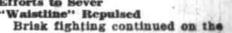
Unofficial but reliable sources reported that eight more planes were shot down today at Utti, 90 miles south of Mikkelli on an east-west railway line.

In addition, anti-aircraft batteries at Savio, northwest of Lake Ladoga, were reported to have destroyed six addi-

line.'



tional soviet planes. The Russians managed to inflict considerable damage at Mikkelli before being driven off, Several civilians, including women and children, were reported killed. In fighting yesterday the high command reported destruction of two enemy tanks and capture of 11 others along with large quantitles of supplies left behind by retreating red army forces in the center of the eastern front. Efforts to Sever



beaten back in their efforts to

sever Finland's wasp-like "waist-

The bulk of the tanks and booty

captured was reported northeast

of Suomussalmi, in the region of

Juntusranta, a short distance from

The Finns said their coastal

forts turned their guns inland to

destroy red army supply columns

high command said two minor in-

fantry thrusts toward the Manner-

heim line were repulsed. The red

intensified artillery barrages b-

tween the Gulf of Finland and

Russia's attempt at a blitzkrieg,

after a 38-day trial against Fin-

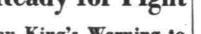
On the Karellan isthmus the

the Russian frontier.

and artillery.

Muolaanjarvi.

Is Unsuccessful



Balkan King's Warning to

didn't. cents."

The Pacific Coast conference, having decided that it is a bad boy, is now faced with the dilemma of finding a corner to stand in in a round-robin.

Willamette university, which **Question Believed** seems to have a corner on this column today, took over the records of Gooding college when that sister Methodist school gave up the ghost. Recently a former Gooding student requested that his credits be forwarded to the question entirely for congress. University of Nebraska. Walt Erickson, the WU registrar, looked over the requested credits and found them in order, including a credit for a course in Sanalogy. his idea. Walt didn't know what Sanalogy was, but forwarded the credits

Pretty soon back came a letter from the University of Nebraska a joint committee to study approasking, in effect, "What in the devil is Sanalogy?"

Walt called a huddle of some of have something to do with hygiene and its name derived from the Latin word sano, meaning proves?" a reporter asked. "heal.'

If anybody has any better idea, Willamette would be glad to hear of it and so would the University of Nebraska.

The national budget this year is divided into two parts, ordinary and defense. It seems the only way to balance it is to put the deficit on one side and three or other.

Portland Woman Gets Big Legacy

PORTLAND, Jan. 6.-(AP)-The bulk of an estate estimated between \$500,000 and \$1,000,000 was left today to Mrs. Inez M. Eckerson, Portland.

It was left by Louise M. Johnson, widow of Samuel W. Johnson, Carbon county, Wyo., rancher. Mrs. Johnson had lived with Mrs. Eckerson, her sister, until her death December 28.

Rufus M. Eckerson, Corvallis, a nephew, was named executor of the ranch property and oil land estate, all in Wyoming. A \$50,000 bequest was made to him for the purchase of an annuity for Ruth Strauss Leidig, Carmel, Calif., a grandniece.

Relatives and friends in Indiana will receive other bequests, ranging from \$5000 to \$250.

8 Liquor Officers Set to Lose Jobs

PORTLAND, Jan. 6-(AP)-Many sources said today "probably eight" enforcement officers of

heim line is intact. The Russians made other major land gains north of Lake Ladoga where soviet troops fought bitterly in'an attempt to manen-(Turn to Page 2, Col. 3) 100

nake a study," he said, "now that "It's about two and a half the house is ready to consider bills, nothing would be gained by holding them up for 60 days." The South Carolinian said a ess hospital. joint study "might, well be considered for the future," but added such an inquiry should begin in

the summer preceding a congress ner, a passerby.

Miss Ames said she did not see the engine until her car was within 10 feet of it, police reported. Byrnes' statement, coming af-The car was struck broadside, ter Harrison's, and after both had shoved 37 feet along the track seen the president separately, led and Mrs. Knowles pinned to the to the impression that Mr. Roosevelt's attitude was that it was a Harrison, chairman of the sen-

ate finance committee, indicated that he felt assured, at least, of dently didn't see it. no administration opposition to The impact demolished the lem from Eugene nearly five

"The administration will not be shooting at this plan," he told re-

"The president is very porters. much in sympathy with the idea of priations and taxes.

"He naturally wants any machinery which might create harthe learned around Willamette mony between the spending and and after much mulling they final- taxing committees. That way, we ly decided that the course might can know the signals and not miss Successor to Gus Moore the plays."

session

Entirely for Congress

"Then the quarterback ap-"Touchdown" Would Bring

the

Mississippian Happiness "That's not a bad line," Mississippi senator countered. "we see a balanced budget as the

goal ahead, and if we can make a touchdown we'll be awful happy.' Also bearing on the fiscal situation was an expression of opposit'on from Senator George (D-Ga), a member of the finance commitfour 80,000 ton battleships on the tee, to Mr. Roosevelt's recommen-

dation for a special tax to raise \$460.000,000 of additional revenue for emergency defense purposes.

"If congress should undertake to raise additional taxes," George told reporters, "then it would be imperative to revise the entire tax structure. "Necessarily, we would have to

consider exemptions and possible broadening of the tax base as well as the rates themselves." George expressed the view that

The Salem police department

performed 25,692 specific activi-

ties during 1939, a report com-

pleted yesterday shows, with dis-

tribution of parking tags leading

The department put out over

16,000 parking violation tags dur-

ing the year and took in \$8314.45

as bail from parking tickets. For-

the field.

congress should delay enactment of new taxes until the present business upswing could be accurately judged.

Little actual business is on conand active in Westminster house (Turn to Page 2, Col. 5.) affairs.

Parking Causes Most Grief

traffic investigations.

classified felonies.

nine for larceny from autombiles;

six for automobile theft, four for

sex crimes, 135 for miscellaneous

misdemeanors and 131 for un-

ton Ames, 18, of route three, and State Treasurer Walter E. escaped with minor cuts, for Pearson, democrat. which she received treatment Fry Appointce of from the city first aid crew be-Ex-Governor Martin fore being taken to the Deacon-Fry, a democrat, was given his present position early in the ad-

Mrs. Knowles was pronounced ministration of former Governor Charles H. Martin. He is entering dead at the Deaconess, where she his second year as the board's secwas taken by John Baker of Tur-

Traffic Fatality

Dies After Collision

With Locomotive

ers have with self-interest wished gary. for him The secretaryship includes the duties of supervising state purch-

ases and carries a salary of \$5400 opposite side. Her injuries were a year. reported to include a broken neck. A. H. Denison, the engineer,

said his locomotive was not moving rapidly and Miss Ames evi-

front of the automobile and broke years ago to accept another Mar-(Turn to Page 2, Column 2)

Charters Chosen

YM Work Leader message mean as to the future of Oregon's highway construction program? That question is puzzling highway department offi-

Engineering Student at Oregon State

years by calendar and fiscal perlods have either been garbled on Appointment of Clyde R. Chartheir way to Salem or the presiters, leader in Oregon church dent has recommended no great youth organizations, as boys' work secretary for the Salem The correct answer is still being YMCA was announced yesterday awaited.

in sight.

by the Y personnel committee headed by Dr. Bruce R. Baxter. Increase Expected He will succeed Marion "Gus" By Baldock Moore, who will leave January 20

to take a position in California. Charters, who will finish studies for a degree in electrical endoes know that it has been promgineering at Oregon State college in March, will assume his new position at once. A former resident roads for the current year.

of Portland, he is president of the R. H. Baldock, state highway Oregon Christian Youth council engineer, announced yesterday The Tisza helps mark the boundserved for five seasons on the that \$2,595,000 had been appor- ary with Hungary. staff of the Portland First Presbyterian church summer camp at tioned to Oregon for the new year Hillockburn, has been associated as against \$2,170,141 for the with Boy Scout leadership activyear closing. The new allocation

Police Seek Clues ities for 11' years, served two of federal funds is divided as folyears ago as leader at the Silver lows: Falls recreation area summer Federal aid \$1,884.900; seccamp and last summer attended ondary highways \$245,900; grade

the World Christian Youth conseparations \$335,000; public ference at Amsterdam, Holland. lands roads \$129,200. At Oregon State college Char-

ters was yell leader for two years New State Controls Come too Late

David Eccles, state budget director, feels somewhat like the firemen who got to the fire after the fire was out: he has set up new controls over state depart-**For City Police Department** ment's capital expenditures only to find that most of the capital outlays authorized for the 1939-

46 biennium have been made. The department recovered 15 "We'll have a good hold on stolen automobiles and made 73 them next biennium anyway," Eccles said yesterday. "There was There were 343 arrests for no check at all on capital outlays

> **Fingerprint Leads Police to Robber**

Charles Evans Hughes, wife of the chief justice; Mrs. Stanley Reed, wife of an associate sufeited bail on all other offenses was \$3427.75 for a grand total sources said today "probably eight" enforcement officers of the state liquor commission will be dismissed in a reorganization more. Commission authorities said they were undecided on the num-ber. If was understood that made satisfactory showings at a three-day commission school and two weeks of the whr. While Russians have made some advances in the center of the line, they always have been beaten back, and the Manner-

Russia, Germany Is

Independence Plea

BUCHAREST, Jan. 6 .- (AP)-King Carol declared that all Rumanians "are ready to die together to defend their borders' in a retary under a republican admin- bristling speech today interpretistration without receiving the ed throughout the balkans as a "walking papers" many jobseek- warning to both Russia and Hun-

He spoke only 12 miles from would probably be very valuable someday. the Russian frontier at Chisinau (Kishinev), capital of Bessarabia, the province that was Russian until 1918. Russia and Hungary have ben insistent in demands

dicated as to the rumored change for return of territories they lost starving. in the office of state insurance to Rumania in the World War The occasion was a big review

of land and air forces. The king reiterated his government's refusal to consider any change in the national frontiers, by peace

After leaders of Bessarabia's Russian, Ukranian and German cers, "kickoff" remarks and the minorities publicly declared allegi- report of T. A. Windishar, retirclared the province "will always program of the Salem chamber of remain Rumanian by the force of commerce luncheon Monday noon, dent of the board of trade went

as a reply to Hungarian efforts, 1940 president, will preside for encouraged by Italy, to regain

Transylvania by negotiation. A declaration along similar lines was made by Premier George membership fees and dues in covina, formerly Austrian, as well as Bessarabla.

"The whole country is united as one man," insisted General debt of \$2340.77. George Argesanu of the third

But for the fiscal year 1941, army corps in a speech welcomwhich begins for the federal gov- ing Carol. "It will not be difficult sition of 138 new members durernment on July 1, 1940, Oregon to defend our fatherland from the ing the year, and compliments Dniester to the Tisza rivers." ised nearly half a million dollars The reference to the Dniester more than was allocated to its river, which forms the Russian-Fred D. Thielsen, manager, for

Carol's warning to the soviets.

In Slaying Case

EUGENE, Jan. 6.-(AP)-Proof sal of hard-driving Leslie Hore- where the Russians have been that Hitler is not every German's idol was contained in a Belisha as war secretary shook to letter received by a family from relatives in the Reich. the foundations today the national unity behind Neville Chamber-The letter itself, subject to

lain's wartime premiership. From all parties came demands the scan of nazi censors, told that Chamberlain "tell all" about of their love for their Fuchrer and how Germany would somethe departure from his war cabiday be the queen of nations. net of one of his most vigorous It was suggested that their and popular ministers and why he did not at the same time rid American relatives remove the stamp for their collection as it his government of some so-called "dead wood."

Jan, 16.

Lady is Excellent Actress

men had to shoot again.

ter actress than I am."

ces Perkins, Mrs. Cordell Hull,

Mrs. Henry Wallace and Mrs.

WASHINGTON, Jan. 6 .- (AP)- | and humanity," and the camera-

The Star, voicing general press After the stamp was care-fully steamed off, the followdemands for a fuller explanation of Hore-Belisha's retirement, deing message could be read: clared. "God punish Hitler. We are "There is no satisfactory reason adduced for shifting a man army coupled these attacks with

CC to Introduce **Officers for '40**

Introduction of the 1940 offi-

President Windishar's report other newcomer, Sir John Reith. mentions receipts of \$8278.73 in

ness of \$4711.86 which had been due primarily to the remodeling tics in a mansion house speech program of the previous year. The

1940 officers will face a holdover

The report mentions the acqui- ple. Barkley Newman, 1938 president, for the remodeling program and

Rumanian frontier, underlined bership campaign.

the

drive.

Representative Dies

NEW YORE, Jan. 6 – (A^{p}) – Rep. Edward W. Curley (D, NY) died tonight at his Bronx home following a heart attack.

Mary Packford, "America's sweet-

heart" as a movie star, credited

Mrs. Franklin D. Roosevelt with

being a better actress than she

tonight at a White House mo-bilization of American women for

With movie cameras grinding,

the first lady, smiling and polsed

"fight infantile paralysis"

land, a country of 3,800,000 inof democracy in the army too strongly then public resentment habitants, has netted her about will be wide, deep and lasting." 7,000 square miles, or about one forty-eighth of the 240,000 square? In the cabinet shake-up, Oliver ance to Rumania, the king de- ing president, will constitute the Stanley succeeded Hore-Belisha miles she apparently set out to and Stanley's portfolio as presi- capture. And Finnish leaders say they gave up voluntarily most of the to a newcomer, Sir Andrew Rae The speech also was interpreted year. E. H. Bingenheimer, the Duncan. The only other change sinnish territory now occupied by

Belisha was thrown overboard to Attempted Blitzkrieg

found Lord MacMillan replaced the red army. Reports of changed leadership as minister of information by anof the soviet army on the Karelian isthmus and its digging in opera-The parliamentary recess spared the 70-year-old prime minister tions there indicate a change of from immediate attacks in the tactics now. But the distribution have a chance to answer his cri- of the war left little doubt to observers that Stalin planned some-Tuesday night when he will start thing similar to Adolf Hitler's a series of ministerial addresses jaunt into Poland. to stir the war spirit of the peo-

who had the public confidence

satisfy a clique of generals who

disliked him on social grounds or

because he was pressing the pace

"If it is shown that Mr. Hore-

and was doing a fine job.

The Finns insist there is little military significance to the continued soviet air raids which Should Chamberlain ignore then since the beginnings of the war the controversy, which surpassed have killed about 300 civilians the heat of those created by the and caused material damage to peace-time resignations of Anabout 60 cities and towns. The thony Eden as foreign secretary and Alfred Duff Cooper as first Finns assert they have shot down more than 150 Russian planes. lord of the admiralty, he would wait until parliament reconvenes

Finns Still Hold **Karelian** Defenses

Today the Finns still hold de-Demands for a full explanation of Hore-Belisha's "resignation" fense lines on the Karelian isthwere foreshadowed in parliament mus to which they withdrew in by both opposition party memthe early days of the war, al-(Turn to page 2, column 7) though the Russians, with seven divisions massed there, apparently hoped to break through quickly

by sheer weight. The western end of this Finnish line is the coastal battery at Koivosto south of Vilpuri on the Gulf of Finland, which, despite almost daily shelling, has pounded away at both land and sea units of the Russian war machine, Many Finnish troops at Kol-

"See," laughed Miss Pickford vosto already have been decoratturning to a group of 50 promi ed for heroism in the face of great nent women from 37 states gathodds. ered in the oval diplomatic room From Kolvosto the Finnish to plan this year's birthday drive lines run east-northeast, south e -'J'rs. Roosevelt's a much bet-

the small village of Summa, sout of Muolas, then northeast pas In addition to women heads of Lake Suvento to Taipale on Lake many state and local birthday Ladoga, where there has been celebration committees, the white particularly bitter fighting alon house audience included capital the eastern end of the Taipale leaders-Secretary of Labor Franriver.

Mannerheim Line

Declared Intact The Finns offered only slight resistance while withdrawing to these positions during the first

cial.

before." drunkenness, 27 for disorderly conduct, 13 for drunk driving,

ABERDEEN, Wash., Jan. 6.- Mary Pickford Says First (AP)-Mysterious blood stains found on the sidewalk near her home and a reported fight between a man and two women shortly before her death, were listed by authorities as important clues today in the brutal slaying last night of Mrs. Dick Law, 24-year-old blond mother and wife of a union offi-

Acting Police Chief Robert Schmidt said a witness reported the fight on a downtown street shortly before 7 o'clock last night and one of the women was described as similar to size and ap-

in a long bronze lame gown, anpearance to Mrs. Law. nounced that the committee for Passersby reported to police celebration of the president's birthday was trying "to raise the they saw a pool of blood two blocks from the Law home and ammunition" with which to fight bloodstains on an automobile infantile paralysis epidemics. parked there early today. The "That means money," she exautomobile was gone when police plained. arrived.

efficient leadership in the mem-

first general meeting of the new

the first time.

dent has recommended no great change in road appropriations. Tatarescue Jan. 1 at Constanta, Black sea port. He mentioned Bu-\$1692 on the holdover indebted-house of commons but he will of soviet troops at the beginning