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COMMUNITY NEWS.

# The Oregon Statesman

FOUNDED 1851

Weather  
Showers today and Wed-  
nesday; little change in  
temperature. Max. temp.  
Monday 49, min. 37. River  
5.6 ft. North wind.

EIGHTY-NINTH YEAR

Salem, Oregon, Tuesday Morning, January 9, 1940

Price 3c; Newsstands 5c

No. 247

## FOR Exhorts Party to Wood Independents

### In One Ear..

—Paul Hauser's Column

We were walking along State street the other day when we noticed a battered old jalopy parked at the curb. Its paint, what there was left of it, was dulled and it had none of the sleek stylishness of the late model but proudly it bore its license plate. The license number was 77.

HOW TO WRITE A POEM  
You sit and ponder like the Sphinx  
And hunt for rhymes like sinners  
and lynx  
And when you've worked out all  
the kinks  
What have you got? A poem that  
stinks.

We don't know whether it's worth mentioning, but a year ago today the legislature was starting a record run. All we have to worry about this year is elections, death and taxes and the weather.

Marvin Byers, president of the You Can't Do That to Me Twice club, is debating whether his organization should put its stamp of approval on the Lion's club show, which will include a movie and therefore border on the double feature classification. The Lions, however, point out that the whole program will last but two hours, considerably under the double bill average. Favorable action is expected from the You Can't Etc. club.

The Russians keep saying they are not at war with Finland. The English keep saying their war is not with the German people. The Germans keep saying their war is not with France and, of course, the Japanese are not at war with China. Peaceful old world, isn't it?

### Power Exchange In Tacoma Likely

Bonneville Expected to Tie in With Great Municipal Plant

TACOMA, Jan. 8.—(AP)—The Bonneville power authority's desire to tie one of the Pacific northwest's biggest municipal power systems in on an interchange basis moved forward tonight as city officials requested Dr. Paul J. Raver, Bonneville administrator, to draw up a 10-year contract to give up a concrete basis for further negotiations.

The request came after a two and one-half hour conference between Dr. Raver and his staff and city councilmen. Dr. Raver agreed to submit the proposed contract to Tacoma officials by next Saturday.

The Bonneville administrator and Sol E. Schultz, chief engineer, explained Bonneville's aims in response to questions asked by city executives. Despite earlier attacks on the Bonneville authority by council members, the conference was free of controversy.

"Bonneville's interest in an interchange of power with Tacoma, Seattle and other systems of the Pacific northwest is to assure availability of power over a wide area at a minimum of cost to the consumer—to encourage new industries in the region," Dr. Raver said. "There is no competitive angle."

The agreement will provide that the Tacoma and Bonneville systems can borrow from each other if the occasion arises. The cost for excess power will be 2.5 mills per kilowatt hour.

### Siuslaw Forest Addition Sought

WASHINGTON, Jan. 8.—(AP)—A bill adding 75,000 acres to the Siuslaw national forest was sent to the president today after being passed by the senate.

The measure, H. B. 884, would contribute to the protection of the Corvallis watershed, the conservation of timber and the carrying out of a sound land-use program in the area. It would terminate the department of agriculture reported.

The acreage includes Benton county land donations, lands purchased by the resettlement administration and Corvallis, state, county and private acreage.

One Big Fire  
PRINEVILLE, Jan. 8.—(AP)—Only one fire—the \$10,000 grade school blaze—exceeded \$25 damage during 1939, Arthur Michel said today.

### Salem Branch Store to Add Another Story

J. C. Penney Company Plans Complete Modernization

New Front to Liberty Street Building On Program

Impending expansion of the J. C. Penney company department store in Salem through reconstruction and enlargement of the Durbin-Hughes building which the firm now occupies at 160 North Liberty street was announced yesterday by J. N. Chambers, manager.

The basement will be deepened and a third story added to the building to give the store two additional sales floors and improved stock room.

Plans will go to contractors Thursday and construction is scheduled to start about February 10. Cost of the expansion was withheld pending receipt of bids late this month.

Mr. Chambers said his company was erected 32 years ago, had leased the 50 by 165 foot property which it covers for another 20 years.

Modernization Plan Is Extensive  
Major operations in the re-

Encounter Off Canaries Is Reported by Liner As It Reaches Port

RIO DE JANEIRO, Jan. 8.—(AP)—The British Royal Mail liner Highland Patriot fought off a German submarine near the Canary Islands on December 29, it was disclosed with arrival of the 14,172-ton vessel here today.

Seven shots were fired in the engagement, four by the liner. The Highland Patriot, out of Liverpool, with 209 passengers for South American ports, was about 50 miles south of the islands when the submarine appeared and made a signal which officers of the Highland Patriot said they failed to understand.

Then, said the officers, the submarine fired a salvo of three or four-inch, the Highland Patriot, zig-zagging ahead of the attacker, responded with fire from a six-inch gun mounted astern as a "defensive armament."

The officers said, all shots going wild; the Highland Patriot fired a total of four shots.

The submarine, which it was believed was not hit, then submerged.

Passengers of the Highland Patriot told a somewhat different and more exciting story.

They said the liner fought the submarine for two hours in the course of which the warcraft fired two torpedoes, one just missing the liner's stern and other coming equally close to the bow.

### Salem Man Loses Wallet on Ruse

PORTLAND, Jan. 8.—(AP)—Richard Harland, Salem, was minus \$5 and a wallet today, but he had the dubious distinction of being the first known victim of a pick-pocket wrinkle new to Portland.

Harland told police he heard a man yell, "Your coat's on fire."

After the stranger had beaten out the imaginary flames, Harland discovered his wallet and money were missing.

### Cascade Snow Fails to Close Passes to Willamette Valley

PORTLAND, Jan. 8.—(AP)—Strong wind lashed the coast and snow fell over eastern and central Oregon today as temperatures dropped generally in the face of cold winds.

Southeast storm warning were posted from Eureka, Calif., to Tatoosh Island, Wash. Heavy swells splashed over railroad tracks at Barview, near Tillamook, and over the seawall at Netarts.

The sea flowed through all side gaps on the bay-ocean peninsula in Tillamook county, covering the highway.

### Man Loses Match With Science, Loses Theft

WASCO, Jan. 8.—(AP)—The science of the matchmaker's conscience cost him again today.

Heave himself up to Modoc, officials last summoned a La Grande livestock thief and followed through the night to collect from Pendleton to Sheriff Jesse Breshears to confess a bicycle theft.

Sheriff Breshears furnished transportation here.

### Fleet Expansion Is Asked by Navy

Details of Program Held Secret, but Huge Plan Support Is Sought

WASHINGTON, Jan. 8.—(AP)—The navy's high command asked congress today to approve a new \$1,300,000,000 fleet expansion program to meet the "threat of world conflagration," but was unusually secretive concerning details.

Secretary Edison and Admiral Harold G. Stark, chief of naval operations, urged approval of the huge increase at the opening of public hearings before the house naval committee, asserting that the gravity of international conditions necessitated it.

"The situation is rife with possibilities of a general European war," Stark declared, "and, in conjunction with the far eastern conditions, presents a threat of world conflagration."

While details of the program were not divulged, Stark created the impression among committee members that the navy had decided upon larger ships in certain categories, possibly in the cruiser class, when he disclosed that the program now calls for 77 new combatant ships and 30 auxiliary vessels, in addition to 2395 airplanes and 36 lighter-than-air craft.

When Chairman Vinson (D-Ga.) announced last November that a fleet expansion program was contemplated, he said that it called for 95 warships and 31 auxiliaries, or 19 more ships than Stark's total.

The admiral made it plain that no battleships were involved in either the old or new plans, spiking the possibility that the navy had decided to go in for super-battleships of 35,000 tons each, or bigger.

"Stark told the committee he (Turn to Page 2, Col. 2.)

### World Fair Head Dies in Chicago

Rufus C. Dawes Is Victim of Heart Attack; Was Civic Leader

CHICAGO, Jan. 8.—(AP)—Rufus C. Dawes, 72, who guided the Chicago world's fair through successful seasons in 1933 and 1934 and proudly wrote its financial history in black ink, died today of a heart attack.

Known as a utilities executive, civic leader and member of a family famed in business, banking and politics, he attracted most attention as president of a Century of Progress exposition, which drew nearly 40,000,000 persons to the lake front grounds while the city and nation were emerging from the depression.

He was proud of the fact that the venture showed a profit and balance in black ink, and the first world's fair which did not finish "in the red."

The funeral will be held at 4 p. m. Wednesday in the First Presbyterian church of suburban Evanston. Burial will be Thursday in Forest Hill cemetery. Dawes was born on July 30, 1867.

### 2 Whistler Buoys Washed on Shore

ASTORIA, Ore., Jan. 8.—(AP)—Two lighted whistler buoys, worth \$3000 each, were hauled from Peacock spit, at the mouth of the Columbia river by the coast guard today. They had been driven ashore during recent storms after breaking their anchor chains.

Chief Boen's Mate James A. Sweeney boarded a buoy and clung to it despite breaking waves until he had affixed a hauser.

They will be reconitioned before replacing substitute buoys.

### Child Burned

HEPPNER, Jan. 8.—(AP)—Robert Bots' two-year-old son suffered serious face and hand burns yesterday when the baby's 12-year-old uncle accidentally ignited a can of gasoline at the ranch home near Jone.

### Associated Farmers Reelect President at Meeting Here

"We are satisfied," said President Howard L. Shoemaker of Hood River, above left, as he reported to directors of the Associated Farmers of Oregon at their annual meeting here yesterday afternoon, "and will do all in our power to maintain good government within the state."

Seated beside him was W. J. Looker, secretary, of Medford. Statesman staff photo.



Continuation of the Dies committee's investigation of "un-American" activities was urged upon congress in a resolution adopted by directors of the Associated Farmers of Oregon at their annual meeting held at the Marion hotel yesterday afternoon.

### Farm Association Banks Dies Group

Satisfaction With Oregon Anti-Picketing Law Is Expressed

The house voted, 256 to 114, to begin debate on the controversial anti-lynching bill on Tuesday.

A senate vote on a proposal to set up a special senate-house committee to make a study of budget needs was blocked by Minority Leader McNary (R-Ore.)

Secretary Perkins approved the report of a special examiner that Harry Bridges, west coast labor leader, was not affiliated with the communist party. She cancelled a warrant for Bridges' deportation to his native Australia.

Counsel for the house committee investigating the national labor relations board charged that the board had retained a lawyer on its staff despite testimony that he was partial to the CIO.

The navy asked congress to approve a \$1,300,000,000 fleet expansion program to meet the "threat of world conflagration."

A special committee was established by the state department to study the problems of readjustment that European peace will bring for the United States.

### 50 Investigators Will Seek Slayer

ABERDEEN, Wash., Jan. 8.—(AP)—A special CIO union committee chairman said tonight the group would demand an independent autopsy of the body of Mrs. Dick Law, torture killing victim, after municipal authorities had posted a \$250 reward offer for solution of the crime.

Committee Chairman O. M. Orton said Prosecutor Stanley Krause had consented to the additional autopsy, and a court order would be sought tomorrow if Coroner John W. Stevenson balked at the proposal.

Mrs. Law, 24-year-old blond mother, was the wife of a member of international executive board of the CIO-affiliated International Woodworkers of America. She was found dead, her head smashed and breast stabbed, late Friday night in the living room of her home. The house was disordered, with the contents of drawers strewn about.

Mayor Herbert Horrocks said the reward offer probably would be followed by additional sums from other sources. Prosecutor Stanley Krause said authorities thus far had failed to "uncover any evidence which would make an arrest possible."

### Democrats not to Offer Selection

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Protest was voiced by members over third term petitions advocating a primary vote for President Roosevelt. The petitions were circulated by the Commonwealth federation.

### Budget Committee Vote Is Blocked by Oregon Senator

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On a roll call vote of 256 to 114, the house decided to take up tomorrow a bill to make lynching a federal crime. A special rule will permit six hours of debate on the measure.

An immediate decision in the senate on a proposal by Chairman Harrison (D-Miss) of the finance committee to set up a special 24-man congressional committee to study President Roosevelt's budget and then draft its own fiscal recommendations was blocked by Minority Leader McNary (R-Ore.)

### Late Sports

BASKETBALL  
LA GRANDE, Ore., Jan. 8.—(AP)—After a two-year sojourn in Germany as a missionary, Howard Lyman, former OSC star, returned to collegiate basketball tonight and aided Eastern Oregon College of Education to a 50-43 victory over the Oregon College of Education.

### Greatest Gain Of War Made By Defenders

Finns Wipe out Entire Russian Division; 1000 Captured

Thousands Are Reported Killed by Fast Finn Troops

By LYNN HEINZBERLING  
HELSINKI, Jan. 8.—(AP)—Destruction of the 44th Russian division southeast of Suomussalmi was announced today in a special communique which said that Finnish forces, mopping up in the wake of the battle, were gathering large quantities of war materials abandoned by the enemy along the snow-packed Raate highway.

Thousands of Russians were killed and more than 1000 captured, military sources indicated, in the rout of the 44th—the second soviet division reported to have met its end in this wild, icy region in middle Finland.

Only 10 days ago at Lake Kianta, north of Suomussalmi, the 163rd Russian division was—according to the Finnish high command—"cut up and for the most part destroyed."

Survivors Flee; Finns Pursue  
The survivors of the 163rd were reported after the defeat to be fleeing toward Junturanta at the northeastern tip of Lake Kianta, about five miles from the soviet border, with the Finns in hot pursuit.

The reported rout of the 44th was believed here to mean the end of Russian attempts to drive across Finland's "waistline" and cut the country in two—at least for the winter.

For weeks the Russians have besieged Suomussalmi as the first objective in this drive. Finnish descriptions of the fighting indicated that the 163rd had attempted to close in from the northeast and the 44th from the southeast.

(Neutral military experts have estimated the strength of a Russian division at 15,000 to 17,000 men.)

Much Booty Is Captured  
Booty which the Finns reported capturing in the two victories included 129 guns of various calibers, 64 tanks, 12 armored cars, one airplane, 75 submachine guns, 428 motor trucks, 59 field kitchens, 1420 horses and large quantities of rifles and munitions.

A large percentage of this plunder was captured during the retreat of the 44th, the Finnish high command said, indicating that the retreat was precipitate.

Among the equipment were 16 anti-aircraft cars, each mounting four anti-aircraft guns.

The Finnish communique said that "clearing up operations and the collection of spoils continues."

On other fronts the Finns reported little activity, except for tense cold, with temperatures ranging down to 40 degrees below zero, continued to grip the front.

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### HOCKEY

VANCOUVER, Jan. 8 (CP)—Portland Buckaroos defeated Vancouver Lions 2-1 in a close-fought Pacific Coast Hockey league game here tonight and moved up two points behind the league leading Canadians.

### Ousted Official May Explain Act

LONDON, Jan. 8.—(AP)—Government spokesmen tonight attempted to stem the tide of criticism against the dropping of War Secretary Leslie Hore-Belisha from the cabinet with assurances: his democratic army reforms would endure.

Reports were current that a new ministry of imperial defense would be created, with Winston Churchill, first lord of the admiralty, as coordinator of the army, navy and air force.

At the same time, this nation of hearty eaters tightened belts as rationing of butter, bacon, ham and sugar went into effect amid predictions that rationing might be extended to include clothes.

Hore-Belisha, who said farewell today to the staff at the war office, was said to be working on a "personal statement" to make to the house of commons January 16 when parliament meets. There (Turn to Page 2, Col. 8)

### Italy Would Aid Hungary Defense

BUDAPEST, Jan. 8.—(AP)—A defensive alliance between Italy and Hungary assuring Hungary of full Italian support in event of attack by either Germany or soviet Russia was reported authoritatively today to have been agreed upon by the foreign ministers of the two nations in weekend talks at Venice.

First reports were that the text of the agreement would be made public with signatures by Foreign Ministers Count Ciano and Count Casky at Rome, but later advised said the pact would remain confidential lest publication give offense to the Germans or the Russians.

Hungarians understood it would be initiated by both foreign ministers if fully approved by their respective governments. Count Casky is due in Budapest in the morning to report to a special meeting of the Hungarian crown council.

(In Rome diplomats agreed that Count Casky obtained an Italian promise to aid if Russia attacked her, and advice to avoid pressing territorial claims upon Rumania for the present when friction might cause spread of war.)

(Some diplomats at Rome considered a formal military alliance (Turn to Page 2, Col. 8)

### Deportation of Bridges Dropped

Secretary Perkins Okehs Report of Landis on West CIO Leader

WASHINGTON, Jan. 8.—(AP)—Secretary of Labor Perkins dropped the government's deportation case against Harry Bridges today after approving a finding that the west coast CIO leader was neither a member nor an affiliate of the communist party.

In a brief statement, she announced she had cancelled the warrant of arrest issued against Bridges in March, 1938, when the government began its attempt to send him back to his native Australia.

The finding concerning Bridges was made by Dean James M. Landis of the Harvard law school, who presided over the case as a special trial examiner.

He found Bridges was "energetically radical" in his aims, but that the government had not supplied substantial evidence to prove that he was a communist and subject to deportation.

The Landis report was received with praise and criticism in and out of congress.

In a lengthy analysis of the Bridges case, Landis rejected much of the government evidence on the grounds it was incredible, opinion and hearsay.

### Reds Held Boring Into Ad Business

VANCOUVER, B.C., Jan. 8.—(CP)—Norton W. Mogg, of Seattle, president of the Pacific Advertising Clubs association, today told the advertising and sales bureau of the Vancouver board of trade that communists were "stealing" the advertising business.

He said that certain "quack books" pick on exceptions to attack us.

He said that the attackers claim advertising "makes people buy what they don't need."

"Their own arguments are that it raises the cost of goods and confuses the consumer," he continued. "In the last 35 years advertising has built up the per capita consumption to such an extent that yesterday's luxuries are today's necessities."

"We must emphasize that advertising is the most efficient and successful aid to distribution," he said.

### New Filers Union To Hold Meeting

PORTLAND, Ore., Jan. 8.—(AP)—First organization meeting of the Associated Saw Filers union, recently chartered by the AFL, will be held here next Sunday, Jack Brewster, temporary official of the new group, said today.

Prewett said the new organization hoped to draw into its membership 1500 northwest filers who are now divided among AFL and CIO unions.

### Democrats in Jackson Fete Feast, Laugh

President Pokes Fun at Republicans Who Declined

Roosevelt Mentions Third Term, but Doesn't Answer

By RICHARD L. TURNER  
WASHINGTON, Jan. 8.—(AP)—With a gay, chuckle-packed speech, President Roosevelt presented himself to Washington's Jackson day celebrants tonight as one who is "supposed to be a self-made riddle, in fact a cross between a riddle and Santa Claus" and then let the riddle, his third term plans, go still unanswered.

The address also had its more serious passages, such as Mr. Roosevelt's advice to the leaders of the democratic party that to win they must hold their allies among the independent voters. To that he added for emphasis and interpretation: "Don't let us forget it."

Moreover, he laid down what some chose to regard as his own personal prescription for the party's 1940 candidate: "Motive Is Held Vital Element"

"Motive is the long run is what counts—more accompanied by good manners," he said. "If leaders have good motives and good manners and, at the same time, knowledge of the different parts of the country and plenty of experience" (Turn to page 2, column 1)

### Hore-Belisha Plans Message

Ousted British Cabinet Officer May Explain Chamberlain Move

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