

Weather
Unsettled with occasional rain today and Monday; rain and snow over mountains. Max. temp. Saturday 50, min. 27. River 3 ft. South wind.

EIGHTY-NINTH YEAR

In One Ear..

—Paul Hauser's Column
The late Edgar Wallace wrote over 200 novels, a scud of short stories and articles and about a dozen plays. He could sometimes bang out a novel in a matter of days. The mystery that could chill you in the middle of the Sahara, in two or three days. He was probably the most prolific writer of these days.
Lately there Paul E. Hauser, Jr. has been published a biography of Wallace, and Ethan Grant went to the library and asked if they had it. The girl whom he asked to assist him would look in the card files.
Presently she came back. "We haven't Mr. Wallace's biography," she said. "But he DID write a book and we have that."
Another friend of ours with rather intellectual tastes in literature went into a local bookstore the other day.
"Have you anything by Andre Maurois?" she asked.
"No," responded the clerk.
"Well, have you Aldous Huxley's latest book?"
The clerk admitted there wasn't a Huxley in the house.
"How about Noel Coward's 'First Person Indicative'?"
"Nope."
"Well," said our friend, "I guess you just haven't anything I want."
The clerk frowned, obviously unhappy. "Say," he said, helpfully, "Did you ever try Zane Grey? Awfully good reading."

British Losses To Nazi Fliers Claimed Heavy

DNB Mentions 14 Specific Comment
Admiralty Makes Specific Comment
Trio of German Raiders Shot Down; Norway Vessel Struck

By J. C. STARK
LONDON, Feb. 3.—(AP)—Britain's royal air force fighting to protect her vital sea lanes from Germany's bomb blockade, today shot down three Nazi war planes in the fiercest air battles over England since the war's start.
British observers estimated that at least a score of German bombers joined in the waves of attacks on British and neutral shipping up and down 400 miles of the east coast.
The admiralty late tonight had "nothing to say" regarding the reports by DNB, official German news agency, that 14 ships including merchantmen, four British patrol boats and one minesweeper—were sunk during the day.
Survivors of one plane attack—on the 629-ton Norwegian freighter Tempo—landed with a story of having been both bombed and machine-gunned by three Nazi planes. At least four of her 14 crewmen were known to have died.
The British airmen's reply to the third German attack within (Turn to Page 3, Col. 1.)

Budget Reduction Slight Says Glass

Tendency to Spend Other People's Money Is Too Strong, His Verdict

WASHINGTON, Feb. 3.—(AP)—Despite deep cuts in President Roosevelt's spending requests, Senate Finance Committee Chairman Charles McNary (D-Ore.), a leading economy advocate, said today that there was little chance for "any substantial reduction in the total budget."
The 82-year-old Glass, chairman of the senate appropriations committee, told reporters that "people like to spend money too well—especially when they are spending other people's money."
While Glass was talking, the senate farm bloc was organizing for an attempt to add hundreds of millions to the house-approved \$722,000,084 farm bill, and Glass said it was unlikely that the house figure could be retained. Besides restoring some house reductions, the senate farm group wants to add at least \$200,000,000 for parity payments.
The house measure, providing money for the fiscal year beginning July 1, was \$66,928,435 under the president's budget estimate and \$579,339,231 below the funds available for this fiscal year.
Despite pressure from farm leaders, the house stood by its cuts suggested by its appropriations committee. Before approving the bill late last night it added about \$89,000,000 for sugar benefit payments and for activities of the rural electrification act.
Budget reductions effected by the two chambers and their committees, as the various appropriation measures stand now, total \$155,000,000. Some farm senators are urging that a "comey" plus part of any future savings, be turned over to the farmers.
In that connection, one farm senator suggested that the farm measure be delayed until after the senate has acted on the \$1,300,000,000 national defense bill. He said that if substantial savings could be effected on the latter measure, then the chamber would be justified in making additions to the agricultural measure.
Senator Lucas (D-Ill.) suggested that \$500,000,000 might (Turn to Page 2, Col. 5.)

Cake Considering Committee Race

Ralph Cake, prominent Portland attorney, L. Coon, former circuit judge, was named here yesterday as a probable candidate for republican national committee from Oregon at the May primary election.
This post is now held by Ralph Williams, Portland, who has not yet disclosed whether or not he will seek reelection.
Cake has been a life-long republican.
GRANTS PASS, Feb. 3.—(AP)—Circuit Judge H. D. Norton refused today to accept a plea of guilty clerk charged for a second time with larceny of public funds, pending a thorough check of his records.
District Attorney Orval J. Millard told the court he was certain that a \$65 shortage found was not the total. Coon previously made \$354.52 restitution for other shortages and was paroled from an 18-month prison sentence.

Coon Guilty Plea Is not Accepted

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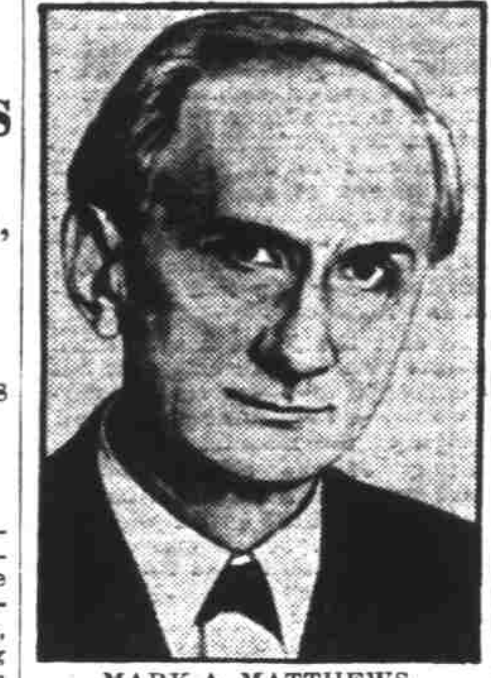
FR Name Filed for Illinois Race

Chain of Bombs Takes Toll in Finnish Towns

78 Planes Raid Kuopio, Inland City; Fifty or More Killed
Defenders' Aircraft Is Active; Mannerheim Line Bombarded

HELSINKI, Feb. 4.—(Sunday-AP)—Finland's most terrible punishment by bombs in a little more than two months of Russian invasion was reported early today, with a total of 78 planes raiding one city alone and many other cities suffering deadly raids.
First estimates of Saturday's victims said at least 50 were killed and 100 wounded in the south half of Finland, but that was before the 78 planes, in three waves, made an evening attack on Kuopio, the second of the day. Kuopio, a railway city of some 10,000, is located in the great lake country of middle Finland. Big Red Guns Shell Mannerheim Line
While these raids were going on, big guns of the red army shelled the Mannerheim line from one end to the other, after two days of direct attack had been broken on the battlefield of Summa.
In a raid earlier in the day, 30 people had been killed at Kuopio. Casualties from the second raid were not known, for the populace was huddled in air raid shelters far into the night.
Three Finnish fighting planes fought a fleet of 20 soviet bombers in a spectacular air battle over Kerava, near Helsinki, late in the day. The Russians dumped all their bombs and turned on their machine-guns. Residents of the town came out of air raid shelters to see one soviet bomber fall and the others turn tail and run.
Two people were killed when a bi-plane Russian squadron bombed a chapel at Siemjoki.
At Porvoo, on the southwest coast, there were many dead and wounded. Several others were killed at Viipuri, main target of the red army's Mannerheim line drive, and heavy damage was inflicted.
Loviisa and Kotka also were raided.
Thirty six planes set aflame the little city of Kerava, 20 miles north of Helsinki, while the mad music of air raid sirens howled in the ears of capital residents. Authorities said the raids were fully as extensive as those of the previous day, when 400 Russian planes were counted over Finland.
Saturday's estimates of air raid casualties brought to approximately 150 the civilians known to have died in the week's bombings.
Saturday's continued bombings (which the Moscow communique again said were directed at military objectives) and the incessant shelling of the Mannerheim line were the aftermath of the red army attacks in the snows of Summa.
Here, 20 miles south of Viipuri, tanks, armored sledges, parachute troops and infantry smashed at the strongly fortified area of Karelian Isthmus. Both these attacks failed.
Roadmaster Killed
ST. MARIES, Idaho, Feb. 3.—(AP)—Rodger Gallagher, 54, roadmaster for the Chicago, Milwaukee and St. Paul railroad, died shortly after midnight when—before his speeding motorcar crashed into an eastbound passenger train.

Pulpit Crusader Said Near Death



Popular Minister Lapses Into Coma
Recovery From Pneumonia now Unlikely; Career Is Notable One

SEATTLE, Feb. 3.—(AP)—The Rev. Dr. Mark A. Matthews, noted Presbyterian minister, lapsed into a coma tonight from which physicians said there was scant hope of recovery.
The colorful pastor of the nation's largest Presbyterian congregation was recovering from an attack of pneumonia that caused his collapse last Tuesday when he suffered a stroke yesterday. This sudden complication removed hope that he would recover, Dr. J. H. Berge said.
Thousands of persons have telephoned the Seattle General hospital during the past four days to wish Dr. Matthews a speedy recovery and to ask his condition.
His wife and son and daughter, Mark A. Matthews, Jr., and Mrs. Norman E. Scott, of Los Angeles, were constantly at his bedside.
Dr. Matthews, former moderator of the church, has been pastor here for 38 years. During that time he conducted sensational vice crusades, one of which ended in the conviction of a Seattle chief of police.
Burglars Active Saturday Night
Three Homes Prowled and Articles of Value Are Taken, Police Told
Burglars were unusually active in Salem early Saturday night judging from reports investigated by city police.
Two neighboring houses, the Warren Lindsay residence at 975 Garnet street and the Bertha Williamson home at 965 Garnet, were visited. At the Lindsay home an ivory-finish radio set valued at \$15 was taken.
Time of the visit to the Williamson home was indicated by the fact that a clock had been knocked down and had stopped at 6:45. There a barrel bank almost full of money, the exact amount of which was unknown, was stolen, but some other articles of value were passed up.
At the Walter Oldenberg residence, 989 North Winter, burglars, sometime between 2:30 and 7:30 p. m., a Hamilton watch worth \$50 was stolen.

Drager's Trial Opens Monday In Court Here

Nine Days Required for Testimony, Forecast; Grand Jury Meets
Jones Case May Be Eyed Again Depending Upon Action of Judge

Trial of David G. Drager, county treasurer charged with larceny of \$23,000 of county funds, which opens before Judge L. H. McMahan tomorrow morning, will share the local judicial spotlight this week with a meeting of the county grand jury and hearing of several cases by Judge L. G. Lewelling.
The Drager trial, postponed originally from October 30, and set over a second time last week because of the illness of Custer Ross, a defense attorney, is expected to occupy about nine days in the courtroom of Judge L. H. McMahan. Frances Marsh, McMahanville attorney and special prosecutor for Marion county, will present the state's case, while George Rhoten will act with Ross for the defense.
Expect Repetition of Previous Testimony
Present trial of the county treasurer is expected to bring repetition of much of the testimony used in the hearing last June of W. Y. Richardson, Drager's former deputy with whom he is jointly indicted. The trial (Turn to Page 2, Col. 5.)

Balkan Pact Vain Diplomats Agree

Interests too Divergent for Joint Action; now Each Goes It Alone
By ROBERT B. PARKER, Jr.
BELGRADE, Yugoslavia, Feb. 3.—(AP)—The four members of the Balkan entente—Greece, Rumania, Turkey and Yugoslavia—diverged today in their support of the defense of small nations—recognized tacitly tonight that each one must look individually to big powers to keep them out of Europe's war.
Sources close to the Yugoslav Rumanian, Turkish and Greek delegations to the entente conference here confirmed that their foreign ministers, meeting in a two-hour session today, found their national interests too strongly divergent to permit extension of their anti-Bulgarian pact to save them collectively from the warring big powers.
Foreign Ministers Grigore Gafencu of Rumania, Sukru Saracoglu of Turkey, Aleksander Cincar-Markovic of Yugoslavia and Premier General John Metaxas of Greece were understood to recognize frankly the impossibility of making any important decisions whatsoever at this conference.
Even the Yugoslav-Rumanian plan for "economic neutrality" was understood to have petered out to mere "suggestions" which (Turn to Page 3, Col. 1.)

Mrs. Ida Menzies Dies; Is Pioneer

ALBANY, Ore., Feb. 3.—(AP)—Mrs. Ida Menzies, 75, born in a covered wagon Aug. 9, 1864, somewhere near the Black Hills of North Dakota, died here today. Because her parents, migrating from Wisconsin to the coast, were uncertain of the exact location, she was never sure of her native state.

Clash Over Federal Domination of State Rule Heads up Here

Oregon Delegation in Congress Is Predominantly of Opinion Issue Is Vital; Next December to See Final Compliance, Is Schedule

By STEPHEN C. MERGLER
Is Oregon, which scarcely two years ago "smacked" present national administration efforts to run local politics, about to become the scene of another struggle, this time against domination from above in administration of local government?
Settings for such a scene may be here: In the social security board's recently-delivered ultimatum to Oregon to comply with its pet ideas of a merit system, or else; and in the state public welfare commission's acceptance, under protest, of this, another new deal ukase.
To be watched may be the time when the welfare commission has agreed to reach a state of full compliance with the demand—by the Washington board's demand. That time is next December.
Oregon's present state administration doubtless wouldn't be unhappy if political complexion should change a bit—within the democratic party or otherwise—by the time the quadrennial presidential campaigns are buried in the ballot boxes next November.
Meanwhile it is unlikely that Governor Charles A. Sprague will shift his state in such a fix as did Ohio's Governor Bricker in bucking the national capital's hard-head bureaucrats.
Watching the increasing federal pursestring-control of local affairs are at least three Oregon congressmen who agree in varying degrees with forceful objections recently expressed by Governor Sprague in letters to this state's delegation.
Even Congressman Walter M. Pierce, new deal democrat that he has been, repudiated a modicum of agreement with the governor's letter; Congressman Homer D. Angell concurred "heartily" and Senator Charles L. McNary declared the issue "real."
In one breath Representative Pierce adjured the present state administration to "make good use of every penny of federal money entrusted to it" by the new deal Governor Sprague "to use your great influence to check further federal encroachment which will ensue if the federal government invades the field of public education, with a demand for control."
Pierce, of course, also suggested that if Oregon didn't want any federal dictation, it should withdraw its hand from the direction of the federal treasury; he failed, however, to note at the same time that the states will pay the bill in the long run for the "handouts" they are now obtaining from that source.
It all makes observers wonder if a western state, little in the eyes of a blouse salesman may find the way in a new fight for freedom.

One-Hour Parking To Be Advocated

Return to one hour parking for downtown zones where a 45 minute limit is now in effect and organization of a volunteer police reserve will be recommended to the city council by its police and traffic committee when it meets Monday night.
The council has before it a resolution to affect the parking limit change, introduced by Alderman David O'Hara, and will probably pass it on the traffic committee's recommendation.
Merchants expressed a desire that the change be made at a hearing held by the committee last week and several civic organizations have gone on record favoring it.
The police reserve would provide a group of volunteers to be called in cases of emergency and to aid police at parades, fires and in other cases where men are needed to handle crowds.
Also expected to be before the council is a resolution to lease the municipal airport. Bids were submitted at the last council meeting by Lee U. Eyerly of Salem and Howard Burleson, Albany.
The meeting will be the first for Alderman Chandler P. Brown, elected at the last session to fill a vacancy in ward three.

Lincoln Banquet Plans Announced

Mt. Angel college will provide the music for the Lincoln day banquet to be held at the Marion hotel at 6:30 p. m. next Thursday under auspices of the Marion county republican central committee. Lewis Judson, general chairman, announced yesterday.
Dr. P. O. Riley will serve as the toastmaster. Principal speaker will be Charles Walker, Portland business college executive. Rev. Robert A. Hutchinson of Salem will deliver the invocation.
Reservations for the banquet must be made by Wednesday, Judson said. Seats may be reserved by calling the Marion or Herman Lanke, ticket chairman, 6037.

Dutch Crew Wins Fight With Blaze

AMSTERDAM, Feb. 2.—(Sunday-AP)—Radio messages from the 5,825-ton Dutch steamer Laertes early today told of a successful fight by 100 crewmen against a fire which swept the ship after the vessel had struck a mine in the English channel.
Late messages said the Laertes was proceeding at half speed after the crew, which at first took to the boats, had climbed aboard on board and put out the flames. No one was reported hurt.
A tugboat was on its way from Flushing to help the crippled steamer. The Laertes, owned by the Navigation Company Ocean of Amsterdam, was on its way here from the British coast and control base at Weymouth.
"We are taking in the lifeboats and will try to stay aboard," the second message from the Laertes said. "Ship is burning and crew is trying desperately to extinguish flames."
"Norwegian tanker Buccaneer in vicinity."

Kelly Machine Acts Without Okeh, Surmise

14,000 Names Are Filed in Surprise Action; President Silent
Vote Is Advisory; Open Pennsylvania Choice Is Demo Decree

(By the Associated Press)
Petitions were filed Saturday to place President Roosevelt's name on the Illinois primary ballot.
First Washington reaction included expressions of surprise, but it was generally assumed that the White House had not been consulted.
Reports from Springfield said 14,000 persons had signed petitions asking that Mr. Roosevelt's name be entered in the April 9 presidential preference primary.
The petitions had been circulated by the Cook county democratic organization, headed by Mayor Kelly of Chicago. Kelly has advocated a third term for the chief executive.
While the petitions were not accompanied by a certificate of candidacy from Mr. Roosevelt, the Illinois secretary of state said that the president's name probably would be placed on the ballot.
The Illinois primary is merely advisory, and does not bind the delegates. The voters' expression, however, is regarded as an obligation on convention representatives.
Thomas E. Dewey, the New York prosecutor, formally entered the Illinois republican primary. Others Won't Enter.
Washington Forecast
Most Washington politicians predicted that if Mr. Roosevelt's name went on the Illinois ballot there would be no other democratic entries, asserting that Paul V. McNutt, the federal security administrator, Senator Wheeler (D-Mont), or Secretary Hull certainly would not oppose this chief.
Other political developments: Pennsylvania's democratic committee voted for a "free and open" (Turn to Page 3, Col. 6.)

Take Leadership, Gannett Advises

Demand for 'Blank Check' Authority Repeal Is Candidate Plea
NEW YORK, Feb. 3.—(AP)—Frank E. Gannett, a candidate for the republican presidential nomination, called for his party today to "assume leadership now, not wait until next year, to demand repeal of the blank-check powers of the presidency."
"Government must be restored to its proper function as umpire, not player in the game," he told a luncheon meeting of the National Republican Club in an address broadcast nationally (NBC).
"We are fed up on the umpire playing quarterback, dictating the rules, changing them in the middle of the game, calling the signals, running the ball, and throwing pot bottles at anyone he happens to dislike in the grandstand or on the bleachers."
"Under the heading 'emergency,' he continued, "the new dealers are reaching for more power—such power, for example, as the president's assumed right to (Turn to Page 3, Col. 8.)

CANBY IS THIRD BONNEVILLE CUSTOMER



While Commissioner Raver and Secretary Ickes predicted extensive use of Bonneville power, the city of Canby became the big project's third actual customer late last week when first "juice" was delivered. At left, George Hibbert and T. T. Smith, Bonneville engineers, with Louis Lent, light superintendent, and Mayor J. E. Hayward of Canby inspect metering equipment at the Canby substations of the Portland General Electric company—Cut courtesy Oregon Journal.

Great Northwest Expansion Ahead Say Raver and Ickes

PORTLAND, Ore., Feb. 3.—(AP)—The administration of Bonneville dam, the government's largest hydro-electric power project on the broad Columbia river, looked ahead today to Pacific northwest expansion through new industries.
Administrator Paul J. Raver, in his annual report to Interior Secretary Ickes, announced signed contracts would yield nearly \$1,000,000 revenue for the fiscal year 1940 and \$2,200,000 for the fiscal year 1941. The Aluminum Corporation of America, a Pittsburg-based Vancouver, Wash., plant guaranteed the government \$10,000,000 over a 20-year period.
"Feasibility studies indicate that if the wholesale rates are maintained, the government would recover within 15 years of the completion of power generating units in Bonneville dam only the full investment allocated by the federal power commission to power production, but also interest at 3 1/2 per cent," the report said.
Raver, commenting on a growing scarcity of hydro-electric sites in other sections of the country, stated that more than 50 inquiries had been received from firms and individuals interested in utilizing Bonneville power for manufacturing operations.
"While most of these inquiries, which cover such fields as electro-chemical, electro-chemical and allied operations, are not likely prospects for immediate deliveries of power," he explained, "negotiations are being actively conducted with a number of those industries having aggregate demands approaching 100,000 kilowatts."
He advised Secretary Ickes of 123 inquiries and applications from other agencies with a total preliminary demand of more than 600,000 kilowatts of firm power.
Most of these applicants are (Turn to Page 3, Col. 4.)