No Substitute!

You'll find no newspaper can give more real satisfacthan your LOCAL MORNING PAPER, with its WORLD NEWS and HOME COMMUNITY NEWS.



Veather Generally fair today and -1.9 ft. N

NINETIETH YEAR

Salem, Oregon, Tuesday Morning, May 28, 1940

Price 3c: Newsslands 5c

No. 53

Leopold Orders Belgian Army Capitulate

On City Bonds

Premium Added; Taxicab Regulation Effective June 1 Applies to Salem Raising Debt Limit Also and Zoning Issues Aren't Settled

New Remonstrance Filed Before Meet; Rigdon and Belt Seated

Controversial matters sched-uled to come before the city council last night failed to produce fireworks as the council New Alderman matter of re-zoning property at 14th and State street and the application of the Economy Cab company for licensing of a fleet of 12 taxicabs.

Final vote on the changing of W. W. Rosebraugh's property on the southeast corner of 14th and State street from a class one residential zone to a class three business zone was carried over to next Monday's council meeting after a remonstrance against the change was received shortly before the council meeting.

The matter was discussed in a caucus preceding the meeting and aldermen decided to wait for final action until signatures on the remonstrance could be checked to determine the percentage of property holders.

The license committee rethe application of the turned Economy Cab company without recommendation and it was tabled until the next meeting. The application is being opposed by both the Oregon Motor Stages and the Salem Taxicab company.

The council accepted the bid of A. D. Wakeman company and Federal Security company for bond issues totalling \$98,000. The joint bid of the two companies offered to take the bonds at \$100.03 per \$100 par value at an interest rate of 2 per cent. The bonds, in issues of 317.17, mature in 10 years. Net cost to the city will be Gannett Blames \$10,970.67. Interest rates offered by four bidding combines varied from the 2 per cent accepted to a bid of 21/2 per cent for bonds maturing from 1941 to 1945 and 21/4 per cent for bonds maturing from 1946 to 1950.

Area Only; Order for Remainder of **County Is Expected Later**

milk price of 10 cents a quart was in the hands of Salem licensees yesterday. While setting the retail milk price at the figure requested by distributors at a recent hearing, the board set cream prices lower than those now prevailing. The order will be effective June 1. > The order establishes a price to

five cents.

Takes up Tasks pounds for each additional point.



Lloyd T. Rigdon, new member of the city council who was seated at Monday night's meeting and was appointed chairman of the

Order from the state milk control board providing for No '42 Auto Models, Is Forecast: Tool Need Is Reason Cited

WASHINGTON, May 27-(P)-Indications multiplied tonight that congress might increase producers of \$2 per 100 pounds taxes before adjournment to pay on milk containing 4 per cent in part for the big new national butterfat, plus 4 cents per 100 defense program.

Possible; Sentiment

Is Sounded out

Leaders of both parties in the house were reliably reported to be Table cream - half pints 13 polling their memberships on the question. The chairmen of the house and senate committees in charge of revenue legislation conferred during the day. The treas-Whipping cream-half pints 16 ury was said to be nearing the completion of a study of the problem and possibly formulating re-

cents, down seven cents; quarts commendations on it. 53 cents, down seven cents. Meanwhile \$32,000,000 Formerly Marion county was considered one marketing area, added to the prospective defense but the new order separates the outlay. President Roosevelt askcounty into area number one, ed congress for that sum to train civilian aviation pilots. Accomcomprising the immediate Salem vicinity, and number two, for oth- panying his request was a letter er parts of the county. Price profrom the budget bureau saying visions of the order apply only that the civil aeronautics authto the Salem area, leaving regu- ority was prepared to undertake lation of other parts of the coun- immediately a program contemty to a later order expected to plating preliminary training for 40,000 within the next fiscal

In addition, the order increases year. existing producers' quotas 10 per cent.

Changes in retail cream prices

inder the order are as follows:

cents, down two cents from pres-

ent price; pints 23 cents, down

five cents; quarts 40 cents, down

cents, down two cents; pints 28

Cream Prices Reduced Defense Costs

Licensees may write the board learned that Chairman Doughconcerning their comments on the ton order or appear in person at the and means committee was ascerboard's meeting in Portland totaining the sentiment of house democrats on the subject, and morrow. that Rep. Treadway of Massachu-

appointed chairman of the art and aviation commit-Belt. Costly Paintings

be issued soon.

Eastern Arm of Allies' Northern Force May Be Re-Encircled

Germans Near

Ypres; Pincer

Jaws Tighten

French Fall Back, Make new Stand in Region of Scheldt River

(By The Associated Press) Grave alarm spread through the allied capitals Monday night over the fate of their armies hemmed W8.8 in on the English channel coast and pounded by all the force Germany's charging military machine could muster.

> In London it was said the gravity of the situation was increasing hourly.

In Paris the French cabinet remained in session until after midnight, then announced only that Premier Paul Reynaud would address the nation by radio at 8:30 While congress awaited a de-

a. m. Tuesday (11:30 p. m. Moncision on the tax question, it was day, PST.). As the allied military position (D-NC) of the house ways grew more critical, Rome diplomatic circles reported - without confirmation-that Italy had

closed her French and Swiss fron-

Royalty for Love

He was 33.

Sunday of ab-

dominal wounds

received May 23

in the battle of

Just before

Flanders.

tiers. While no inkling was forthcom-

Two per Cent Interest Rate Milk Rates Changed Tax Increases In Boars Order but Talked, Defray Gravity of Allies' Situation Deepens; Nazis Widen Salient

Cafe in London Resembles Dugout At Front but "Business as Usual"

Action by King Lacks Support **Of His Cabinet**

> **Government Will Remain** in War, Says Reynaud; **Raise Another Army**

French, British to Fight on Declares Premier; Says Line Is Held

PARIS. May 28 .- (/P)-Capitniation of the Belgian army before the German advance on orders of King Leopold III after 18 days of fighting was announced today by Premier Reynaud.

King Leopold ordered the Belgian army to lay down its arms, Reynaud said, without consulting the French or British governments "which went to the aid of Belglum.

The French premier made his announcement in a radio broadcast at 8:30 a.m. (11:30 p.m. PST Monday). Hastily arranged after an emergency meeting of the French cabinet which lasted until the early hours of this morning.

Reynaud said King Leopold had made the decision to capitulate against the unanimous advice of his ministers.

Some hours before the premier's nnouncement, Premier Hubert

The bonds are refinancing and refunding bonds.

Two new councilmen, Lloyd T. Rigdon and George L. Belt, both aspirant, tonight called President night. elected from ward three, were Roosevelt's preparedness message seated. The two take the places to congress and his Sunday "fireof Dr. Harold Olinger and Chand- side chat" "outrageous promotion ler P. Brown, who were both ap- of hysteria."

(Turn to page 2, col. 1)



danger of attack and not likely to It's going to be pretty tough to keep a stray nickle or penny along be for a long, long time. We are not at war and, under right lead-State street in a few days. Butch, the Mayor of ership, we need not be at war."

State street, is

getting a pair of

glasses and he'll

block and 67

he used to.



Butch, like tional defense board. nost of his Japnese compatriots is near-Paul & Hauser, Ir sighted. So far that affliction hasn't bothered him a great deal. In fact, it has been handy at times, especially at

school, where Butch talked his way out of the more strenuous exercises by virtue of his nearsightedness.

He's always been able to spot someone with a penny or a nickle or dime, though, and he's never had to look too hard to find a place to spend his col-lected funds. Butch is a spendthrift.

be a holy terror.

Women of Coquille have formed a "sixth column." They will practice with rifles and be prepared to shot down enemy parachutists on the wing. This is a fine thing. It would be a tragic blow to our defenses if an enemy should move in and take over the Cogulite myrtlewood ashtray industry.

FINANCIAL NOTE

Despite the troubled state of doors yesterday. "In these dark numbers are also scheduled for the days a cheery note is needed," the first vice-janitor and charman was quoted by the press.

MARITIME NOTE

The commander of the Wheatland Ferry has written his Congressman not to forget him and his in the present re-armament program. "We need a good anti-aircraft gum," he

tee. Alderman George Belt, likewise elected this month to fill a vacancy, also took his seat Monday night.

Hysteria on FDR Founders' Day

Capable, Candidate Says, Portland

Charles Val Clear, state director of art centers, at a meeting of PORTLAND, May 27-(AP)-Frank the local executive board last Gannett, republican presidential

exhibit will include The original oil paintings from the Walker art galleries in Minneapolis and examples of the work

of many of the masters of the Addressing Oregon republicans the New York publisher declared period from 1750 to 1900. the nation "should not trust the

According to Clear, the exhibit, for which negotiations have been defense program to a president who by July will have spent "\$67,progress for several months, is valued at \$250,000. Its show-000,000,000 in the war against depression and has failed to win it." ing here will be the first time the display has been removed He asserted America was in "no from the Walker galleries.

Other elaborate plans are being formulated for the third

Founder's day celebration at the center. Mrs. J. M. Devers is chairman of the committee. At the meeting last night, which was presided over by E. DALLAS, May 27-(AP)-Thomas E. Dewey, candidate for the repubbe able to spot lican presidential nomination, to-W. Acklin, Clear outlined other the cold coin one night criticized the administraplans for the Salem Center's de-velopment. He announced the closing of the galleries for re-decorating and changing of lighttion's start of the defense program feet farther than and proposed his own five-point plan including a non-partison naing in preparation for Founders' In an address prepared for de-

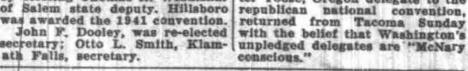
Appropriation was authorized for installation of a kiln for the ceramics classes.

KC State Deputy Washington's Delegates

Said "McNary Conscious" BEND, Ore., May 27-(P)-Ore-gon Knights of Columbus ended their 32d state convention today by electing Thomas A. Windishar of Salem state deputy. Hillsboro was awarded the 1941 convention.

(Tarn to page 7, col. 2)

Windishar Named



Now, with glasses, Butch will Junior High Promotion Day Set; Over 600 to Graduate

Diplomas will be presented jun-| Gwen Pearson. Lois Barrick will ior high school graduates today at present the class gift. promotion day programs at Leslie Pupils of both schools will reand Parrish schools. At Leslie turn to school Friday at 1 p.m. 220 ninth graders will be grad- for report cards. uated, while at Parrish graduates

will number approximately 400. Superintendent Frank B. Bennett will deliver the promotion Despite the troubled state of the stock market, the bond market and the money market the First National bank gilded its front doors vesterday. "In these dark

program, which is set for 1:30 and Barsch, Morland Bartell, Barbara is under the direction of Mrs. Sylvia Russell. Janet Rogers, member of the graduating class, will speak at the

Leslie promotion program to start at 2:30. Presentation of diplomas Brown, Donald will be made by Private International Brown, Donald P. at 2:30. Presentation of diplomas Brown, Donald Burger, Sharon will be made by Principal R. W. Burnett, Jim Butte, Bob Byrkit.

of the committee, was doing the same thing among the republi-**Exhibit Arranged** cans. Later Doughton told reporters that defense taxes "ought to be

levied" before the session ends. \$250,000 Display Obtained If President Roosevelt asked for his opinion, he added, that would for Salem Art Center be his reply.

There was apparently no thought that the entire defense bill could be covered by in-

The most pretentious exhibit creased taxes, leading to a widein Flanders; Gave up of oil paintings ever brought to spread expectation that the pres-Oregon will be shown at the Sa- ent limit on the size of the nalem Art Center beginning on June 9, Founders' day, according to an announcement made by \$45,000,000,000 and the national BERLIN, May 27-(P)-Prince Wilhelm of the Hohenzollerns, a

setts, ranking republican member

debt is approaching that figure. Congress, while awaiting a decision on the financing question, prodded the big armament plan 12 through the various legislative processes. On e subcommittee agreed to work far into the night to hasten action on a supplemental \$250,000,000 appropriation for the navy.

At the same time, the men who manufacture machinery which produces the myriad and intricate parts of an airplane and other defense items met here and promised the government first call on their output. They have been overwhelmed with foreign orders. (Turn to page 7, col. 7)

Moffat Is Named

Envoy to Canada

and was the second of the house to die in the war. Prince Oscar, a WASHINGTON, May 27 - (P) cousin, fell in Poland. In 1933 he married Dorothea President Roosevelt, recognizing the growing political importance van Salviati, whom he met when of Canada to the United States, both were students at Bonn. She

many.

of Canada to the Onited States, today picked one of the highest state department officials — Jay Pierrepont Moffat, chief of the European division—to be minister to the dominion. The marriage came as a sur He replaces James H. R. Crom prise. The former kaiser immediwell, who resigned last week aft-

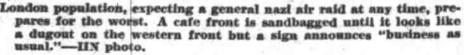
ately announced the prince had "renounced all rights derived from primogeniture" as a result of marriage to one of unequal The young couple have two princesses, Felicitas, born June 7, 1934 and Christa, born Oct.

1, 1936. Moffat's last important assign-

Ireland Prepares

Members of the Leslie graduat-ROCHESTER, N. Y., May 27 -(AP)-For the second time in four days, the 152nd assembly of the Presbyterian church in the USA days, the 152nd assembly of the Presbyterian church in the USA refused today to define the de-nonlhation's stand on conscien-tions objectors during war. The army, mobilized in Sep-sarding the tragic situation in which all nations find themselves attion that the European war represents "merely the clash of it involves linked "vital moral issues." army. The army mobilized to civilian life. army. The army mobilized in Sep-tion of the tension and reserves had been returned to civilian life. The army mobilized to civilian life. The army mobilized in Sep-tion of the tension and reserves had been returned to civilian life. The army mobilized to civilian life. The army mobilized in Sep-tion of the tension and reserves had been returned to civilian life. The army mobilized to civilian life. The ing class are: Winser Acton, Emma Albers, Norman Alexander, Al-

ing on the matters discussed in (Turn to page 7, col. 4) **Kaiser's Grandson** Is Victim of War **Dies of Wounds Received**



Drop in Gasoline Blaze Destroys 4 grandson of the former kaiser, has fallen on the Price Announced field of battle. The prince. who gave up his Cut Averaging two Cents Two Shipyards Burn Along royal prerogatives for love,

Ordered by one Firm, was a first lieutenant at the "Meet Competition" head of a company. He died

SAN FRANCISCO, May 27.-(P) VANCOUVER, BC, May 27.-(CP)-Two shipyards and two boat Effective tomorrow morning, the engine plants were destroyed and Standard Oil company of California will reduce the price of gasoa third shipyard was slightly damline by as much as two and a half aged when fire of unknown origin cents a gallon, in order to meet swept through a section of Van-

Prince Wilhelm his death in a competition. couver's coal harbor district in hospital near Brussels he received the west end. A company announcement said the iron cross, symbol of valor now as in the days when the standard gasoline would be re-duced a cent and a half a gollon; No immediate estimate of damage was available but a \$20,000 house of Hohenzollern ruled Gerseine boat nearing completion, in premium grade (ethyl), two and a half cents a gallon; and thirdone of the shipyards was burned.

He was the oldest son of former Crown Prince Friedrich Wilhelm grade, by two cents a gallon. The reductions will be effective throughout California, Washing-ton, Oregon, Nevada, Arizona, the Hawailan islands and Alaska, ex-

cept in parts of eastern Oregon, Washington, Nevada and Arizona. Seaplane Hangar Costing

\$460,000 at Tongue Point The price reduction announced Authorized, Mott Reports San Francisco will be carried out in the Salem district, W. A.

McAfee, local branch manager for the Standard Oil company of California, said last night. Other companies' managers who \$460,000 seaplane hangar at the Menin.

could be reached said they had Tongue Point naval air station, not been advised of corresponding Rep. James Mott informed the price cuts. Commerce today.

"Dies Committee" for Each

Fierlot of Belgium had announced in Paris after a meeting with his refugee cabinet that his government had decided to continue in the war on the side of the allies. The premier said Belgium would triumph sooner or later and called upon all Belgians to remain confident of victory.

Vancouver Plants

With Engine Factories;

Fire Cause Unknown

(Turn to page 2, col. 7)

Destroyed were:

Reynaud followed that up tolay with the announcement that the Belgian government, in opposition to its king's orders, would continue to function and would 'raise a new army."

He said the Belgian capitula-tion had failed to lower French and British hopes for victory against the German invaders.

Reynaud prefaced his announce ment of the capitulation with the words: "I must announce a grave event to the nation."

"The Belgian army," he said 'has just brusquely capitulated in the field on the order of its king."

The king, he asserted, had is-sued the order without consulting "the responsible government." He explained that the three al-lied armies fighting in Belgium were under the command of Gen-

eral Georges Blanchard. As the battle continued, he said, troops were sent supplies via

Dunkerque. The French premier spoke with

extreme sarcasm when he referred to Leopold. He said the action of the king of the Belgians was "without pre-

cedent in history." Benson Shipyards Ltd., Union Prior to Reynaud's announce-

ment French military commenta-tors had been acclaiming the Belgian army as the "heroes" of the fighting in the north, where the Germans have been pressing a

terrific battle. The Belgians have been hold ing the left flank of the allied lines in Flanders and were re-

ASTORIA, May 27-(P)-The ported to have played an import-\$2,000,000 naval shore stations ant part in the fighting yesterbill before congress authorizes a day along the Lys river north of The exact situation today in

the north was obscure. The whereabouts of King Leopold was not disclosed.

In breaking the news of the Belgian capitulation to the French nation, Premier Reynaud said: **State Legion Leader's Plea**

The Centennial rally, to be roadcast over radio station KEX tarting at 6 o'clock, will be in

charge of Tom Hill as master ceremonies. The program will clude short talks by Govern Charles A. Sprague, Mayor W.

must announce to (Turn to page 7, col. 1)

A permanent Dies committee and a Dies committee in every state were advocated last night by National Vice-Commander H. El-wyn Davis of Pueblo, Colo., speak-ing before over 200 members of the American Legion and auxil-iary from the Willamette valley. "Oregon leads the nation in the Legion program against subver-

Chadwick, King Bing Kennet Perry of the Cherrians and Iri i McSherry, Centennial man Highlight of the rally introduction of the new

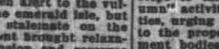
"Moral Issues" in **Clash Recognized By Presbyterians**

mira Anderson, Bill Anderson gate, Bill Austin, Phyllis Averett, James Baker, Uela Bales, Sally Ann Barr, Lois Barrick, Jack Becker, Genevieve Beutell, Clinton Blakely, Julia Bogosian, Lloyd Bohanan, Robert Bourson, Donald

er his nomination on the demo-PORTLAND, May 27-(AP)-Wal-ter Tooze, Oregon delegate to the cratic ticket for the United States senate from New Jersey. During his stay in Canada, Cromwell, millionaire husband of Doris Duke, got into difficulties with Secretary of State Hull because of a pronounced pro-allies speech. ment for the president was to ac-

company Sumner Welles, to Eu-rope on the latter's fact-finding

But Still Neutral



had been returned to civilian life. Skyline Road to Open PORTLAND, May 37-(P)-The Skyline Trail road, from the Wa-

DUBLIN, May 27-(P)-Determ-ined to maintain defensive neu-trality, Ireland sped its army toined to maintain determined traility, Ireland sped its army to-ward war-time strength tonight and sent scores of folice looking for fifth columnists and members of the outlawed Irish republican army. (Drears man" has been urged difference to be activities," under the direc-tion of Bill Browne of Fortland, Davis declared. (Drears man" has been urged difference to the same meeting Nief R. (Drears man" has been urged difference (Drears man"

