perature; cloudy 86, min. 58. River -4 ft.

Fair today and Wednes-

NINETIETH YEAR

Salem, Oregon, Tuesday Morning, July 23, 1940

Price 3c: Newsstands 5c

### No. 100

# FDR Proposes Prop for Hemisphere Trade

### Churchill May **Voice Definite** 'No' to Hitler

Lord Halifax Statement Also Studied; Asks Prayers of US

Sea Action Is Reported; Troops Concentrated in North Ireland

(By The Asosciated Press) The world waited expectantly today for Britain's final and resounding "no!" to Adolf Hitler's offer of German-dictated peace. That answer generally was expected to be given this afternoon in the house of commons by Prime Minister Winston Churchill, although he has scheduled no formal speech.

On Britain's reply, authorized German sources said, depends the "zero moment" of Germany's long-threatened blitzkrieg.

The Germans already knew what the answer would be, for Britain's Foreign Secretary Lord Halifax told the world in a radio address last night that Britain would keep on fighting "till freedom for ourselves and others is

Royal Air Force **Emphasizes Reply** 

And the German press acknowledged that the royal air force already had given the reply in warring fashion-a vast increase of British raids on Germany since Hitler's reichstag address of last

The nazi air force meanwhile maintained its constant harassment of Britain in thundering raids this morning on England, incendiary and high-explosive

Formal comment in Berlin was reserved but the informal opinion know what he in German political circles was was doing to me. that the British minister's address "changed nothing." German officialdom, however, waited to see what Churchill might say.

The German press reported that British air raids on Germany have increased greatly since Hitler's offer was made last Friday and showed in advance what Churchill's answer would be. Civilians were reported killed by British bombs in Bremen, Hamburg, Wis- first

The prayers of the United States for a British victory were jolting jail. asked by Lord Halifax, who said that across the "wide Atlantic view his (Hitler's) works with third prisoner growing detestation."

'The people of the United States did not build their new home in order to surrender it to this fanatic," Halifax said. "We may (Turn to Page 3, Col. 1)

### Soil Program Aid Reductions Voted

Rates established for cooperation in the 1940 agricultural conservation program were cut 10 per Announcing this action, the

agricultural adjustment administration said it was necessitated by a decrease in anticipated funds and a larger participation in the

The amount available for the program, officials explained, was reduced by congress' order that final payments under the 1939 program be made from the \$500,-000,000 appropriated for 1940.

The conservation payments go to farmers limiting their acreage of soil-depleting crops in accordance with the national goals established by the AAA. They are distinct from the farm parity payments which are not affected

by today's decision. The 10 per cent reduction is the maximum that the AAA can ning is started, a large number of Henry A. Wallace, a former remake. When enacting the soil men and women will be afforded publican, for his running mate, conservation act, congress authorized the AAA to raise or lower the announced annual rates by as

## M. L. Annenberg

pay a three year penalty for violating the federal tax laws.

lisher, portrayed by his counsel as a man who was "broken" in health and "shackled" with debt, surrendered shortly before noon in the office of an atforney.

Annenberg pleaded guilty to a \$119,224.03 surplus in the end of June in bringing its fiscal total to \$22,000, he reported.

The county gained also on interest received from investments, to a \$119,224.03 surplus in the report states. In 1939 \$1714.

Annenberg pleaded guilty to evading \$1,217,236 in taxes on his 1336 earnings. That constituted one count of a six count indictment alleging failure to pay \$1,5,54,334 in levies, penalties and interest in his 1932-26 income. The prosecution has agreed to district No. 24, Marion county, bonds. \$75,000; State Bank of the indictation and a six of the county bonds. \$75,000; State Bank of the indication and a six of the county bonds. \$13,000; State Bank of the indication and a six of the county bonds. \$15,000; State Bank of the indication and a six of the county bonds. \$15,000; State Bank of the indication and a six of the county bonds. \$15,000; State Bank of the service to Oregon of a former Mississippian, George bank, \$3990; and in school and of the county a year ago had a balance of \$81,062,12 for distribution to indicate the same of the same of the service as follows:

Asked for Substation

Asked for Substation

The Mississippians knew being that constitute will be some train had stopped that some or two foods, rejected the fore the train had stopped that some or two foods, rejected the fore the final stopped that in the average restaurant. The dissenters nibbled at one or two foods, rejected the fore the train had stopped that some or two foods, rejected the fore the train had stopped that some or two foods, rejected the fore the train had stopped that some or two foods, rejected the fore the final stopped that in the average restaurant. The dissenters nibbled at one or two foods, rejected the fore the final had stopped that some final train and stopped that some final train and

HIZZONER AND CENTENNIAL BOSS IN GAOL



whiskered brand of justice caught up with Salem's mayor, W. W. Chadwick, and Centennial Manager Irl S. McSherry yesterday, and they became the first "culprits" to be imprisoned in the Whiskerinos' truck mounted stockade. Perpetrators of this particular deed were Claude Stevenson, left, Harold Busick and George Stackman, chief longbeard of the Whiskerinos .- Statesman staff photo.

## Whiskerino Stockade Tenanted; Ducking Trough Awaits Victims

-Paul Hauser's Column

told me to go out and get a story about the Whiskerino Stockade He didn't

go out and get the story and I got it. I couldn't

Anyway I was part of it. Mayor Chadwick was the and Irl McSher-

ry, Centennial Paul H. Hauser, Jr. general manager, the second prisoner to ride in the Whiskerinos'

It was right after Tommy Hoxie, the Centennial press agent, there are mighty nations who told me that that I became the

> "Take a look around," Hoxie said innocently. "Sure," I said even more in-

nocently. That was when I made my first misstep. The door slammed and there was Hoxle leering at me from the other side of the bars. Never trust a press agent, especially around bars.

"You can't do this to me," said. I didn't say it with much

I stood there eyeing that little patch of blue that prisoners call the sky. It was a pretty sky and beside helped me keep from looking at the people gathering around. They were (Turn to Page 3, Col. 6)

### Work on Cannery Starts in Albany

ALBANY, July 22-Construction work got under way today on the Garners and a political ally the cannery building which will of the vice-president, had tears replace the one destroyed by fire in his eyes. on July 1. Plans for the new building call for a larger struc- Glass (D-Va) had stopped by Garture than the former one.

Work is expected to be completed in time to allow for canning of tomatoes and other fall cratic convention which renomicrops. When completed and can-

Mayor and Centennial Manager Are First to Look in Charles City, I o w a, 100 in North Platte, Neb., and Washingout From Inside Though Charges Are Vague; Barbed Wire to Make It More Secure

The Whiskerinos swept down like the wolf on the fold fore noon. Similar conditions in yesterday and put in force for the first time their threats Washington prompted officials to that citizens not obeying their rather intangible rules will allow employes in federal departhave to spend some time in durance vile.

E. V. Vernon to Preside;

Association Sponsors

Parley Series

Albany, Lebanon and Mc-Minnville members of the Asso-

ciated Employers of Oregon will

attendance at the employers' con-

ference which will be held this af-

ternoon at the chamber of com-

E. V. Vernon, Salem, will pre-

"Purpose of Conference," Dan

Hay, Salem, executive manager of

Associated Employers of Oregon.

"An Analysis of organized" Labor's Proposed Changes in the

Compensation Act," C, T. Haas,

"Duties and Function of the

"Operation of the Commission

Open forum hour, conducted by

Leaders in "Diet"

SAN FRANCISCO, July 22-(P)
Officials of Alcatras prison said

today that ringleaders in an odd,

Warden James A. Johnston de-

enough food for subsistence.

At dinner today, the prisoners were served a meal which would

Unemployment Compensation

Commission," Silas Gaiser, Salem,

administrator of commission.

and statistics.

wood, Portland.

state unemployment act.

o'clock this afternoon.

Employers of Oregon.

The particular brand of durance vile being dished out by the Whiskerinos is a high stockade of two by fours on a truck. The Whiskerinos found it a suitable jail yesterday, but decided a little barbed wire around the top might help it.

the top might help it.

Mayor W. W. Chadwick and
Irl S. McSherry, general manager
and director of the Centennial, were the first to be captured and thrown into the hoosegow on

There were no charges except that Chadwick was mayor and McSherry Centennial manager. Leading the Whiskerino attack were Chief Longbeard George Stackman, Claude-Stevenson and Tommy Hoxie, Centennial publici-

ty brewer. The Whiskerinos later rounded up other citizens whose infractions against Whiskerine law ranged from having too many whiskers to having too few. The ducking trough the Whiskerinos are keeping for severe cases was not put to use yester-

### **Jack Garner Still** Silent on Future

WASHINGTON, July 22 .- (AP)-Vice-President Garner, still publicly silent on the nomination of President Roosevelt for a third term, boarded a train for Texas here tonight and refused to say when, if ever, he was coming

At the train to say goodby to him and Mrs. Garner were Senator Connally (D-Tex), Representative Rayburn (D-Tex), and

a group of other Texans.

Senators Norris (Ind-Nebr) and ner's office earlier to wish the vice-president well. From the start of the demonated the president and selected

Garner remained in seclusion.

### much as 10 per cent to adjust thehm to available funds. County's Financial Status \$77,000 Better, Reported

On Way to Prison

Marion county's financial condition was \$77,000 better at the end of the fiscal period on June the US treasury \$8,000,000 in settlement of civil tax claims, was on his way to prison tonight to pay a three year penalty for yie.

Marion county's financial condition was \$77,000 better at the pared with \$26,454 this year.

The treasurer pointed out that the old-age pension fund, which started the fiscal period with a deficit of \$14,994.12, ended it with a balance in excess of \$15,000. The tax advance suspense fund also shows \$7000 to be creon his way to prison tonight to any a three year penalty for violating the federal tax laws.

The gaunt Philadelphia publisher portraved by the portraved by the property of the prison tonight to the county had a fund balance of dited to the old age pension fund.

## Severe and No Letup in Sight

Heat Suffering

29 Deaths Directly Due to Temperature, 129 Persons Drowned

Temperatures Above 100 in Many Parts, East, Midwest, South

(By The Associated Press) Millions of Americans were harassed by intense heat Monday and harried by advice that no general break in the sultry spell was in prospect.

Temperatures scaled up into the nineties in the midwest, east and south.

The cumulative count of deaths attributed directly to the sweltering siege—now nearly a week old in some sections—rese to 29 while 129 drownings were re-

Nebraska thermometers held around the 100 degree mark for the sixth successive day. Scattered weekend rains brought limited relief to some sections.

Detroit residents watched the

mercury ascend to 95, an all-time record for the date. Readings ranged up to 98 in Virginia. Some of the high marks were 112 in Phoenix, Ariz., 110 in Yuma, Ariz., 105 in Rapid City, SD., 103 in Minneapolis, 102 in Huron, SD., and Kansas City, 101 ton, DC., 99 in Omaha and 98

in Des Moines, Cleveland, Sioux City Iowa, and Cody, Wyo. A few showers in Pennsylvania failed to cool the state. Philadelments without air-conditioning to go home in the afternoon. Hot weather in the south was

common, too. Forecasters reported no widespread relief was in sight although rains might afford breathing spells for some regions.

To Be Here Today Heat deaths included Ohio 2, South Dakota 2, New York 2, Wisconsin 3, Pennsylvania 12, Minnesota 1, Nebraska 1, New Jersey 1, Kansas 1, Michigan 2, Iowa 2. Drownings included Arizona 1, Missouri 2, Massachusetts 1, Illi-nois 5, Ohio 14, South Dakota 2, New York 7, Wisconsin 4, Michigan 14, Pennsylvania 14, Minnesota 4, New Jersey 7, Indiana 15, Maryland 3. California 7, Iowa 2, Connecticut 1, Georgia 1, Tennesbe represented by delegations in see 1, Alabama 2, Florida 3, North Dakota 2, Virginia 2.

### Spanish War Vets The Salem meeting is the second of a series of five parleys held **Eye Defense Need** under the sponsorship of the Associated Employers of Oregon to

discuss proposed changes in the Fifth Columns Also Given The first of the meetings was Attention at Newport held at Portland yesterday and subsequent ones are scheduled for as Session Opens Eugene Wednesday; Marshfield Thurslay and for Medford on Fri-

NEWPORT, Ore., July 22 .- (AP) -Jack Witherspoon of Seattle told the opening of the United side at the meeting here at 2 Spanish War Veterans 32nd annual Oregon encampment today The complete program follows: that "there never was a time in Call to order, chairman, E. V. the history of our country when we have needed adequate defense Vernon, state director, Associated

as we need it now." The past national commander in chief advocated immediate regular service for the national guard and compulsory military training. He condemned subversive elements and said we should seek out the fifth columnists."

"Let us take inventory of the termites and find out where we stand," declared Ira D. Canfield of Medford, state commander of (Turn to Page 3, Col. 6)

NEW YORK, July 22-(A)-The

### Under the 'Merit Rating System," Virgil L. Sexton, Salem, Al Smith Leading commission supervisor of research "The Federal Viewpoint of Social Legislation," Fred W. Pack-

New York Herald Tribune says that former Governor Alfred E. Smith and other prominent democrats soon will announce their opposition to a third term for President Roosevelt and will support republican presidential nomines Wendell L. Willkie. Strike Identified nominee Wendell L. Willkie.
Smith conferred today with
Jouett Shouse of Kentucky, who
was assistant secretary of the treasury under President Wilson, and John J. Raskob, Smith's campaign manager in the 1928 presidential campaign, the Tribweek-long "diet strike" involving scores of prisoners had been iden-tified and were being segregated to break up the demonstration. une said. "The major topic of the con-ference," it added, "was how to capitalize the anti-third term senclined to identify the leaders or say what they hoped to accomp-lish by the protest in which they have refused to eat more than

timent most effectively in behif of Mr. Willkie." Construction Bids Are

Cuban President Welcomes Hull As Inter-American Parley Opens



Secretary of State Cordell Hull, at right, as he was presented to Pres ident Frederico Laredo Bru, center, of Cuba at a reception Monday in the presidential palace in Havana in honor of delegates to the Inter-American conference.—AP Telemat.

## Diplomatic Blitzkrieg To Be Method of New Government of Japan

Expansion and Close Cooperation With Axis Will Be Policies, Made Plain; Commercial Plan of Germany and Italy Accorded Praise

TOKYO, July 23 (Tuesday) — (AP) — Japan's expansion-minded one-party government laid out today a course of 'diplomatic blitzkrieg" in which Japan will act without

warning to achieve her ends by surprise. Statements to the press by members of the cabinet seated only last night indicated clearly that expansion and closer cooperation with the axis

powers are Japan's sure course. Foreign Minister Yosuke Matsuoka promised that the governnent would take advantage of the "diplomatic blitzkrieg" tactics by which the government would sweep toward its objectives without preliminary exchanges, discussions and delays.

"Hitler's diplomatic strokes." he said, "have been models of shrewd calculation." Ichizo Kobayashi, minister of commerce, said Japan must unhitch itself from the economic orbit of the United States and Brit-

"A high degree of state efficiency must be achieved through hitching ourselves to the Italo-German axis," Kobayashi said, (Turn to Page 3, Col. 7)

### Three-Alarm Fire Damage Is Heavy

PORTLAND, July 22.-(A)-A Mr. Anderson reported Monday three-alarm fire inflicted an esti-night that he regretted that this liam Goers reported. Fire Department Captain Er-

nest R. Grenfell's right hand was turn over the funds. severely cut by falling glass. Goers said the fire, to which 30 pieces of fire fighting equipment water superintendent, to take ment were summoned, started around rubbish cans on a basement staircase.

water superintendent, to take over the water and sewer systems and all equipment connected (Turn to Page 3, Col. 5)

### **Resolution Solves** Water Fund Issue

Is Placed in Charge; Bank Is Notified

SILVERTON. July 22-Because Silverton's water commission would not peacefully turn over the water department funds to the city as provided by the new charter adopted in May, C. B. Anderson, councilman, recommended at a special meeting Monday night that resolutions taking care of the issue be passed. Mr. Anderson, A. L. Coote and Reber Allen were appointed some time ago as a committee to work with the water commission in hopes of a peaceful settlement.

Mr. Anderson reported Monday mated \$30,000 damage to a seemingly could not be done as downtown Portland clothing store late today, Fire Investigator William Goerz reported.

the commission, composed of Dr. A. W. Simmons, Roy Morley and A. R. Eastman, insisted the election was illegal and refused to

The first resolution directed and empowered Elgin McCleary,

### Third Term Foes Salem Gives Warm Welcome To Touring Mississippians

One hundred ninety-four members of the "Know Mississippi at the dinner by Lieutenant Governor Dennis Murphree, by Si Corley, Mississippi commissioner of agriculture, and by W. F. Bond. Mississippi during the three hours that the touring party was in-Salem on Monday night.

The visitors, headed by Lieutenant Governor Dennis Murphree were greeted at the South
The phree were greeted at the South
Mr. Bond sald he believed this

Monday night.

The visitors, headed by Lientenant Governor Dennis Murphree, were greeted at the Southern Pacific station by several hundred Whiskerinos, Cherrians, Public officials, members of the junior and senior chambers of commerce and just plain citizens. Some of the visitors were taken on tours of the city including the capitol: a group of 56 visited the capitol and then was extertained at a dinner at the Quells sponsored by the junior chamber of commerce.

The Mississipplans knew before the train had stopped that something unusual was going out.

## Financing Plan Linked up With Havana Parley

United States Policy Is Outlined by Hull at Opening Session

Cooperation Is Pledged by Spokesmen, Some of Latin Nations

WASHINGTON, July 22-(P)-President Roosevelt asked corgress today to provide a \$500,-000,000 prop for the fall, war-distressed foreign trade of all the

American nations. He requested that the capital and lending power of the export-import bank be increased by that amount so that it might "be of greater assistance to neighbors south of the Rio Grande, including financing the handling and orderly marketing

of some part of their surpluses." His message said that it was in the interests of United States producers of wheat, cotton, beef, metals and other export products. as well as producers in other American republics, "that there shall not be a disorganized or cutthroat market in those commodities which we all export." The president's message was sent to congress coincidentally with the second session of the Havana conference of foreign

ministers of the 21 American re-

By J. C. STARK HAVANA, July 22—The United States offered Latin America its eadership and dollars today in a bold fight against the totalitarian system of self-sufficient economy, western bemisphere threatened with transfer to any other Euro-

Secretary of State Cordell Hull, defining the program of his country before the second conference of American foreign ministers, put the plan on a cooperative basis but clearly indicated the United States was ready to throw its full resources behind its exe-

In his speech, expected to assume the status of a policy-guiding declaration for the conference, Hull sharply condemned "forces of ruthless conquest which shrink from no means of

attaining their ends." Pointedly, he served notice that the United States would not countenance any effort to "modify the existing status" of European possession in the western world, 'whatever by cession, by transfer, or by any impairment whatsoever Superintendent McCleary in the control heretofore exer-

> "Decisive remedial action" is imperative, the tall, gray segretary declared, to combat subversive activities he termed "an attempt to acquire domination of the American republics by foreign governments in their own inter-

> He endorsed a protectorate by all the Americas over any threatened European holdings on this (Turn to Page 3, Col. 3)

### **Profits Taxation** Joint Study Made

WASHINGTON, July 22-(AP)of the possibilities of excess pro-fits taxation to help raise revenue for national defense and prevent war millionaires.

Chairman Doughton (D-NC) of the house ways and means committee said the conferees "just sat down to talk things over" without discussing specifically how the bill would be drafted.

He added, however, that as far as he was concerned the excess levies would be applied only to corporation incomes and that individual incomes would not be touched. He added that within a week or ten days "a good start" would have been made on drafting a bill.