

'Happy New Year' Has Grim Tone

Lease Come To Britain's Attention

Barter for Rubber, Tin and Other Products Is Considered

Issue Will Be Mentioned in Monday Address Is Early's Forecast

WASHINGTON, Dec. 31.—(AP)—The possibility of receiving payment in raw materials for some of the war implements that may be loaned or leased to Great Britain was raised today by President Roosevelt, as congress squared away for a battle-royal on the whole lease-lend program.

At a press conference, Mr. Roosevelt said that rubber, tin and other commodities might prove acceptable repayment for American fighting machines sent to England and destroyed beyond repair by Nazi bombs. The principal problem just now, he indicated, was drafting legislation which would assure the return of the implements or their equivalent in other goods.

He thought it would prove particularly difficult to include lan-

Opens With Reverses for Axis But Adolf Sees 'Victory Year'

British-Greek Land and Sea Gains Recited

Italian Supply Vessels Sunk; Albania Invader Force Is "Crushed"

"Infamous Lies" Hitler Retort to Roosevelt Sunday Remarks

(By the Associated Press)

New Year dawned with reports of sea and land triumphs for Britain and Greece on far flung fronts while Britain's German opponent proclaimed 1941 as the year which would bring "the greatest victory of our history."

With more favorable fighting weather, the Greeks said they made new advances in central and southern Albania in the face of heavy Italian reinforcements.

At least 1200 Italian prisoners and additional war material were said to have been captured as the Greeks took more important heights in the vicinity of Kilaure, in central Albania and Chimara, on the coast road to Valona.

While at least two and possibly four Italian supply ships en route to Albania were reported sunk by British warships off Yugoslavia's Adriatic shore, Britain's China command disclosed the rescue of 600 men, women and children landed by German commercial raiders on the Emraur island of the Bismarck archipelago, east of Australia.

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Nazis Appear to Be Practicing For Attack on Cliffs of Dover



Cable-photograph from Berlin shows German infantry perfecting climbing tactics somewhere on the Nazi-controlled French coast. Lower photo shows soldiers equipped with machine guns during the extensive maneuvers. The picture seems intended as a hint that preparations are being made for an invasion of the British Isles in March, according to the best London guess.—LIN photos.

500 From Ten Raider Victim Ships Rescued

Taken From Emraur Isle to Australia; Women, Children Included

Sinkings Occurred Over Several Months, Is Admiral's Claim

SINGAPORE, Malay States, Jan. 1.—(Wednesday)—(AP)—Five hundred men, women and children landed by German commercial raiders December 21 on the Emraur island of the Bismarck Archipelago have been rescued by an Australian ship and taken to Australia, it was announced officially today.

The rescued persons included British, French and Norwegian nationalities. There were 70 women and seven children in the group.

Admiral Sir Geoffrey Layton, commander-in-chief of Britain's China station, said the situation was not as alarming as it first appeared as the survivors came from ships sunk over several months and not from a sudden wave of sinkings within the last few weeks.

The passengers and crewmen were from the following ships: Rangitane, Holmwood, Notou, Ringwood, Trips, Triad, Triaster, Vini Turakina and Komati, it was said.

The admiral said both the British and Australian navies were "well aware of the activities of the raiders and appropriate measures are being taken."

He said that in view of the vast expanse of ocean to be covered it might take some time to bring the raiders "to book" but that they would be accounted for eventually.

The Turakina, Notou and Holmwood previously had been reported sunk, but this was the first disclosure of the fate of the others.

Largest of the newly-disclosed losses was the Rangitane, a 16,712 British steamer.

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Noisy Revelry Greet '41 in United States

But "Auld Lang Syne" Is Theme Song in Other Embattled Lands

Salem's Celebration Is General but Orderly; Parties Numerous

Amidst the fanfare of blowing horns, blasting firecrackers and shouted "Happy New Years," Salem last night gave merry welcome to a nonentity of time that passes somewhere between the last second ticks of one day into a new morning and a new year.

Long lines of people waited at downtown theatres for midnight previews while the entire nation previewed the coming of a new year in the hope of time and said "hello" to an infant whose life span is but a year.

It was a doubly happy new year in Salem this morning as state, county and city officers reported no serious accidents and no serious damage caused by happy revelers.

(By The Associated Press)

A world at war today quit a year of unparalleled conquest and devastation and sacrifice and grimly heard its leaders promise of a "happy new year" of conquest and devastation and sacrifice.

Reichsfuehrer Adolf Hitler, successful in 1940 in conquering Norway, Denmark, Holland, Belgium and France and in consolidating his position in previously beaten countries, greeted Nazi party followers with a promise that in 1941 he would complete "the greatest victory in history."

British Prime Minister Winston Churchill, reviewing a unprecedented destruction in London, scoffed at the idea of peace until "we have beaten them," and he promised Germany "something back."

Premier Mussolini, experiencing military reverses on the Albanian and African fronts, maintained silence, but his controlled press continued its attacks on democracies.

Chief of State Philippe Petain told France that "we will go hungry" in 1941, urged workers not to become discouraged if "some industries come to a dead halt" during the new year and resigned himself and his nation to a continued blockade, which "does not depend on us."

United States has usual celebration.

The United States, sobered by President Roosevelt's determination to make his country "the arsenal of democracy" and confronted by the alliance of Japan, Germany and Italy, nevertheless woke up today with the same old headache from the same old causes. And thanked heaven it was nothing worse.

With business beginning to boom under the nation's insatiable hunger for defense materials, money and wine flowed copiously over the counters of the country.

As the year started—at peace—the nation's battle line was centered in a half-dozen football games.

And around the world with the sun—from international date line to international date line—rang an "Auld Lang Syne"—perhaps for happier years than 1941 promises to be.

It came first from "down under" in Australia, when New Year still had 15 hours left of 1940. A radio announcer wished the (Turn to Page 3, Col. 6)

Prosperity Promise For Salem in 1941 After Gains in '40

Some Defense Work Looms; Canneries Expected to Prosper; City Will Benefit, General Activity

Bank Clearings, Data From Utilities Reflect Improvement; Jobless Will Be Few, Prediction

By PAUL H. HAUSER, JR.

Guns may roar and bombs may blast in Europe as the world enters the year 1941, but in Salem and its environs, as in most of Oregon, the year has prospects of echoing the ring of the carpenter's hammer, the whirring of machines, shouts of farmers and the tinkle of cash registers.

With an excellent year behind, a year which showed increases in all of the accepted indices of prosperity, Salem can apparently look ahead to a year which should show increased bounty.

Oregon is expected to come into a good share of defense spending in the next 12 months and Salem, though not rich in defense industries, can expect a portion of the benefits poured into the state at large.

Bankers and chamber of commerce officials are unanimous in predicting that 1941 should be a far better year than the past one. All indications, they say, seem to point to a flow of business not known in the depression years.

Already contracted for or allocated in Oregon are \$50,000,000 in defense projects and experts say that at least \$75,000,000 more can be expected as the defense program speeds up. Two Salem industries, the Kay Woolen Mill and the W. W. Rosebraugh company foundry, are already working on contracts connected with the defense program. At least two other Salem industries are now seeking defense contracts.

Providing food for the men under arms is expected to increase business also for Salem's canning industry.

Port improvement is promised by CAA.

Salem is also among 10 Oregon cities whose airports will share in a \$2,500,000 CAA development project. Salem's share of the money will be approximately \$150,000.

Salem cannot complain of 1940. Ending up in a spurge of Christmas business which many merchants said was the heaviest in years, the year showed increases in a number of important fields.

Building showed a gain over the previous year of \$681,942. There were 252 new houses built and realtors report a continuing shortage in modern dwellings, presaging no slump in this type of construction.

With little government construction going on, most of the building increase was due to erection of new business buildings and extensive repairs to old ones. New buildings included the E. C. Murphy building at Commercial and State streets, the Ladd and Bush-US National addition and the new Steusloff building now under construction. Extensive rebuilding was done to the Durbin-Hughes building, housing the J. C. Penney store, and started on the Pearce building at Commercial and Court streets.

An increase in consumption of power also indicated better business. The Portland General Electric company reported that power consumption of its Willamette valley division increased 18.7 percent in the first 11 months of 1940 over the same period in 1939.

Residential consumption was up 15 per cent, part of which may be accounted for by rate reductions. Industrial consumption showed a significant increase of 27.4 per cent.

The Salem water commission (Turn to Page 3, Col. 5)

General White Is Head, Both Camps

Salem Man to Take Over Lewis Command but "Live in Tent"

FORT LEWIS, Dec. 31.—(AP)—Merging of Fort Lewis and Camp Murray under the command of Maj. Gen. George A. White, 41st division commander, was revealed in war department orders received here late today.

In addition to assuming command of Fort Lewis, Gen. White's new duties will include responsibility for supply, hospitalization and post administration over the area occupied by all troops here, now totaling 25,000 and soon to be increased to 45,000 upon the arrival of selective service trainees.

Gen. White's only comment on the orders was that he intended to "continue living in a tent" with officers and men of the 41st in the Camp Murray section of the reservation, four miles from Fort Lewis proper, and that he would devote most of his time to the training of his division.

Gen. White will succeed Maj. Gen. C. F. Thompson as Fort Lewis' commander, with Gen. Thompson retaining command of the third division by the terms of the orders.

An additional new assignment contained in the orders was the designation of Col. Ralph Glass, infantry, US army, as executive officer in the Fort Lewis area.

Building Exceeds Million and Half

Nearly Double '39 Figure and Third Highest in More Than Decade

Salem's building topped the million and a half dollar mark in 1940. City Building Inspector E. C. Bushnell's office announced yesterday with its summary of 1940 building.

The year produced a total of 1198 building permits for a total valuation of projects of \$1,637,854, a figure third highest in the last 21 years. The year's building was topped by a mark of \$1,893,246 in 1936 and \$1,699,171 in 1935. The record year for building was 1926 with a valuation of \$2,904,104.

Building activity was nearly doubled over that of 1939 when valuation was but \$855,712. During 1940 permits were issued for construction of 252 new dwellings at an estimated cost of \$720,153.

December showed 39 permits for a valuation of \$53,116, a decrease from December of 1939 when valuation was \$64,867. There were nine dwelling permits for \$34,740 during last month, nine for new non-residential construction for \$10,138 and 21 repair permits for \$18,287.

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Hopson Convicted Of Fraud by Mail

NEW YORK, Dec. 31.—(AP)—The dazzling, dashing, prestidigitator performed by Howard C. Hopson during some 18 years brought him face to face today with a possible prison sentence of 85 years. A federal court jury convicted him of using the mails to defraud his utilities empire of millions of dollars.

The broken, feeble, former head of the vast Associated Gas and Electric system, sat expressionless and apparently not understanding the import of the jury's verdict—a verdict which was reached after 14 hours' deliberation following a trial which lasted eight weeks.

Because of the 58-year-old Hopson's precarious health, there was a possibility, however, that he might spend the rest of his days in a hospital rather than in prison.

Judge Alfred C. Cox will decide his fate on January 9, the date he fixes for sentencing.

Marshall to Speak

NEW YORK, Dec. 31.—(AP)—Verne Marshall, chairman of the no foreign war committee, said today he had accepted the offer of the Columbia Broadcasting System to speak over their facilities from 7:15 to 7:30 p.m. (PST) Wednesday.

Bowl Broadcasts Scheduled Today

NEW YORK, Dec. 31.—The following are broadcasts of bowl games New Year's day:

(Starting times are Pacific standard.)

Rose Bowl, 2:15 p.m.

Sugar Bowl, 11 a.m.

Cotton Bowl, 11:15 a.m.

Orange Bowl, 11 a.m.

East-West at San Francisco, 2 p.m.

San Bowl, 1 p.m.

Yours for a Happy New Year!

In One Ear..

—Paul Hauser's Column

Happy New Year, Happy New Year! Joy and greetings from In One Ear. Now that nineteen-forty is done, We wish you cheer for forty-one.

Our season's greetings won't be vague; Have a greeting, Governor Sprague. And you, grab one, Mr. Jimmy Hogue.

Greetings also from Mr. Zimble, Who thinks autos are a fumble.

To Sig Unander and Dave Eccles We wish a year free of beetles. (Does a sun lamp give one freebies?)

We wish, and we won't regret it All kinds of joy to Wayne A. Pettit.

England's Plight Serious, Verdict

NEW YORK, Dec. 31.—(AP)—England's situation in her single-handed war against the axis powers, while far from desperate, is admittedly grave, three Associated Press correspondents who have gone through the entire battle of Britain agreed today on their arrival in New York.

The three, William McGuffie, Dwight L. Pitkin and Taylor Henry, who left England December 17, reached New York on the American Export liner Siboney.

In a three-point analysis of Britain's position as the old year (Turn to Page 3, Col. 3)

Bean Is Slightly Improved, Report

The condition of Supreme Court Justice Henry J. Bean, seriously ill in Denconess hospital, was reported as slightly improved last night.

Justice Bean, who has been bedfast in his home here for several months, was removed to a hospital last week where he underwent an operation for an intestinal ailment. He is 77 years old.

Holman Explains View on Defense

WASHINGTON, Dec. 31.—(AP)—Senator Holman (R-Ore), who returned to Washington yesterday after a trip to Europe, said he believed the best way to defend America was to aid England "then we should act accordingly."

The senator, a member of the senate appropriations subcommittee of naval affairs and of the senate military affairs committee, said the national defense emergency had resolved itself into a technical question as to what was best to defend the United States.

"And for the answer I will look to army and navy technical experts and act in light of such expert testimony."

The senator said remarks he had made in New Orleans and been misinterpreted in stories which quoted him as having said he was "positively opposed to giving any United States aid to England, China or any other nation at war."

"This interpretation of my observations," Holman said, "is at variance with my views."

'Unusual' Weather Features 1940; Total Rainfall Is 32

By FRANK HERBERT

Among other things, Old Man 1940, the crochety bursard with the white beard who jumped out the window just a clock tick ahead of 1939, has been a bit of a weather man.

Speaking of rain, he started January with the aid of his good friend Jupe Pluvius and laid down a water barrage of 4.72 inches—a good start for the rest of the month to aim at. The rest of the month did aim at it and February stopped short at 4.54 inches with the aid of an extra day tacked on by leap year and the calendar makers.

March, stealing a march on April, April Showers, Etc., Inc., chalked up the year's record of 5.94 inches and left said April with only 1.99 inches to liquidate the stock of May Flowers, Etc., Inc. But May came back with a dripping 2.23 inches and rained

Weather

Partly cloudy with local fog today and Thursday; light rain on coast; Max. Temp. Tuesday 45, Min. 28; river 6.4 ft., north wind.

the Willamette May queen, Betty Starr, into the university's hoop emporium as the sport scribbles would have it . . . and they would.

June, with an 11th day maximum temperature of 98 degrees, clouded up on two different occasions and then forgot what it came for. Best the airport rain gauge could say was "trace." Theme song of the month was "How Dry I Am." (Through the courtesy of ASCAF.)

Then came July, noted for its fourth day which is usually the hottest of the month in spite of what the weather man says. The weather man said 83 degrees here and let it go at that.

In August the weatherman threatened to get an altimeter to measure the height of the mercury in his thermometer. Salem sweltered under 103 degrees August 17, hottest day of the year. The rains came in September (Turn to Page 3, Col. 2)