



1933



1936



1940



War Secretary Stimson draws first draft capsule



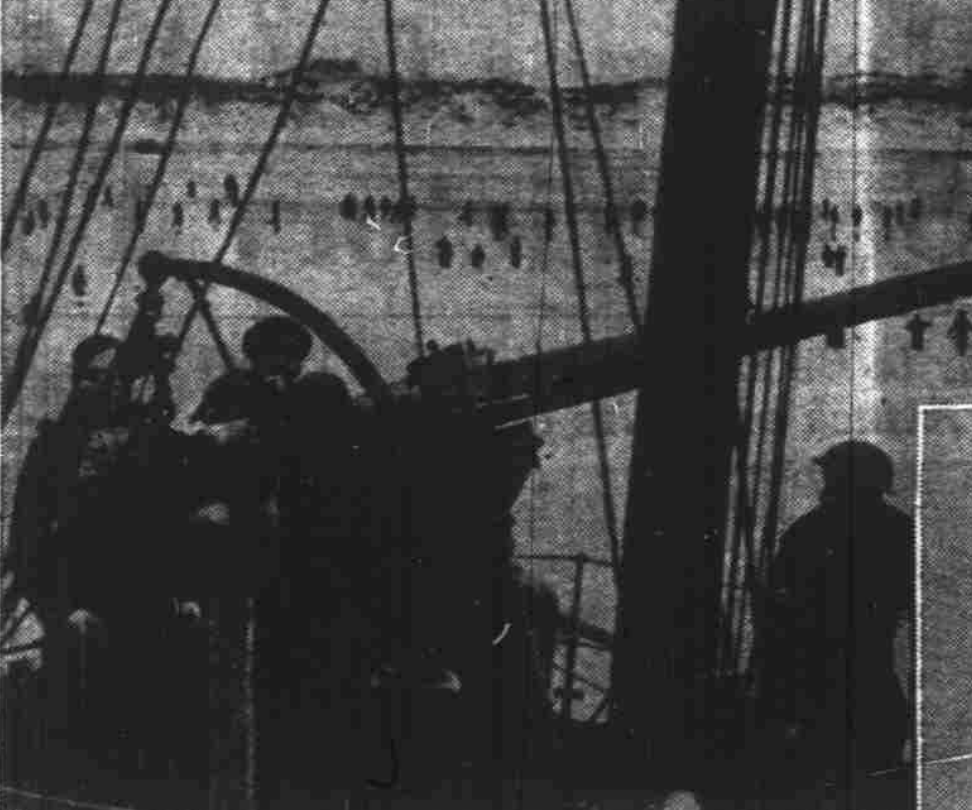
Soviet manpower overcomes Finland, but thousands of Russians pay with their lives for victory



The German blitzkrieg sweeps through Holland



Neville Chamberlain dies



British and French Forces evacuate Dunkerque after the Battle of Flanders



Blind Children and civilians seek London shelters



The United States trades fifty destroyers to England for war bases



Hull signs 21-nation hemisphere neutrality pact at Havana



Norwegian King Haakon flees Germans



Adolf Hitler visits occupied Paris



Italy, Germany, and Japan sign economic and military pact

Leon Trotsky slain

Biggest Boom Predicted for New Year

By CLAUDE A. JAGGER
Associated Press General Financial Editor
NEW YORK, Dec. 31—American mills and factories will turn out a volume of goods breaking all past booming records in 1941—that is the almost unanimous prediction of economists, business analysts and forecasters as the nation plunges into the New Year.

1940 Record Breaker
It is not a difficult prediction to make, they say, since the production records of glittering 1939 were broken in 1940, as measured by federal reserve board statistics.

And it is not improbable, in the opinion of some, that national income may break over the golden peak of fabulous 1929.

The reserve board's index of production for 1940 is expected to show an average of about 121 per cent of the 1935-39 average, but for December alone is estimated around 135. The 1929 average was 119.

Total national income for 1940 is placed at about \$74,000,000,000, nearly 11 per cent under 1929, but the general price level the past year has been about 15 per cent below that of 11 years ago.

New High in Income Likely
If industrial output is kept at an accelerating clip in 1941, and if the price level, lately inclined to rise, works higher, it is not beyond the realm of probability, some analysts say, that a record dollar level of national income might be reached.

Yet all quality predictions by pointing out that the current business cycle is fired by the billions of British and American arms spending, and that it may be drastically influenced by the fortunes of war.

Defeat of Britain, many say, would cut off British buying here but presumably the United States would accelerate even the present defense measures to protect itself in a totalitarian world. British arms orders would no doubt be quickly taken over. Few think, however, that such a world-shaking upset in the balance of power

could be weathered without disturbing repercussions.

Real Peace Not Anticipated
A British victory, if achieved, is generally expected to take time. What some refer to as an "outbreak of peace" is not figuring much in calculations, for any peace that the forecasters can foresee in the near future, they say, would presumably be an armed truce, in which arms making would go on apace.

A real peace with disarmament would bring up the vast problems of transition from wartime to peacetime economy. A great shifting of jobs and changing over of factories. But behind it, some point out, would be the enormous pent-up wants of a half billion Europeans long on short rations. Rehabilitation would present huge problems of financing but many are hopeful that means would be found.

Assuming continuance of the present background at home and abroad, business analysts are inclined to look for a leveling off of the business trend over the next few months, on the ground that steel and machine tools are working at capacity, and it will take time to bring additional capacity into production.

Seasonally adjusted business index figures mostly are calculated on the basis of a normal expansion in the early months of the year, so if production merely holds at present levels, these index figures would decline a few points. Some think it may be several months before such an indicator as the federal reserve index of industrial production shows further striking advances. But with the government now giving intensive attention to creating ad-

ditional capacity, and using all neglected existing capacity through sub-contracting, as much as six months may see big gains.

Priorities May Affect Total
The nation's aggregate business may be held down somewhat if it is found necessary to use priorities to hold back materials from normal production, to make them available to arms plants. President Roosevelt, in his address to the nation Dec. 28, mentioned this possibility.

Meanwhile, some 2,000,000 workers have been given employment in the industrial pickup of 1940 and many more are expected to find employment in 1941. Mounting payrolls may well quicken the already greatly expanded demand for consumer goods. In the past several weeks, wages and prices have shown a moderate tendency to rise. This, the government is watching closely, hoping to prevent any disturbing upward spiral of prices and costs.

Taxes Cut Profits
If there is nothing of the carnival spirit about the defense boom in business that characterized 1929, it is because it is generally recognized as a deadly serious business. Taxes are taking a big slice of business profits and are expected to take more. President Roosevelt has expressed the objective of doing the defense job without creating a single millionaire. In Wall street the stock market ends 1940 well under the levels of a year ago. Yet some anticipate that the wages of capital may improve a little, if interest rates increase somewhat later on, as billions are borrow to finance the defense effort.

The world situation has hit the

farmer by cutting off important foreign markets for such things as cotton, tobacco and citrus fruits, but even so, farm income for 1940 is estimated to have reached about \$9,000,000,000, including government payments, a total about \$500,000,000 over 1939. Growing payrolls in industrial centers should help producers of meats, dairy products, and other foodstuffs.

Rites Conducted For Theron Field

WACONDA — Funeral services for Theron H. Field, 52, were held Monday from Clough-Barrick chapel. He died of pneumonia December 27 at a Salem hospital. Mrs. Frank Thompson of this community was soloist. Pallbearers were Henry Stafford, Hugh Crook, Frank Thompson, Frank Felton, Ed Belleque and Bruno Miletta. Interment was in Claggett cemetery.

He is survived by the widow; four sons, Harvey of Camp Murray, Wash.; Eugene, Harold and Carl of this community; one daughter, Elsie and his parents, Mr. and Mrs. Hardin W. Field of White Salmon, Wash.

Monoxide Is Used By Portland Man

PORTLAND, Dec. 31—(AP)—Police found the body of a man identified as Howard E. Yambert, 41, Portland, in an automobile on the lower Columbia river highway near Rocky Point Monday. The car's motor was running and a hose carried monoxide fumes from the exhaust pipe to the inside of the auto, State Officer I. E. Campbell said.

Call Board

GRAND
Today—Paul Muni, Gene Tierney in "Hudson's Bay."
STATE
Today—Fred MacMurray, Patricia Morrison in "Rangers of Fortune." Bob Burns, Una Merkel in "Comin' Round the Mountain."
HOLLYWOOD
Today—Ann Shirley, James Ellison in "Anne of Windy Poplars." George O'Brien in "Prarie Law."
Friday—Three Mesquiteers in "Covered Wagon Days." Fay Wray, Charles Lang in "Wildcat Bay."
ELSINORE
Today—Errol Flynn, Olivia De Havilland in "Santa Fe Trail." Lucille Ball, Richard Carlson in "Too Many Girls."

CAPITOL
Today—W. C. Fields in "The Bank Dick" with Una Merkel. Jack Holt in "The Great Plane Robbery."
Saturday—James Cagney, Pat O'Brien in "Here Comes the Navy." Roger Pryor, Anita Louise in "Glamour for Sale."

ELGIN
Today—Boris Karloff in "Doomed to Die." Johnnie Downs, Connie Moore in "Laugh It Off."
Friday—Roy Rogers in "Young Buffalo Bill." Richard Arlen in "Hot Steel" with Andy Devine.

Jobs for Millions to Come in 1941 As Industry Speeds Arms Assembly; Non-Defense Work to Increase, too

WASHINGTON, Dec. 31—(AP)—American labor stood on the threshold of another new year today facing the prospect of employment for millions in an industrial machine geared up for national defense, and hearing union leaders declare their support of the defense program.

The absorption of from 5,000,000 to 6,000,000 workers by industries producing war materials and the ordinary commodities for domestic consumption has been predicted by government statisticians for 1941.

4 Millions Needed, Defense
About 4,000,000 workers, these statisticians say, will be needed to produce the aircraft, fighting ships, guns, powder, buildings, food and clothing contemplated for national defense and aid to Britain.

At the same time, the expanding payrolls in these industries are expected to stimulate employment in the non-defense field to such an extent that jobs will be provided for another 2,000,000 workers.

AFL President William Green predicted in a New Year statement that the impact of armament building on industry would create 6,000,000 jobs and the army of unemployed, he added, "will have practically disappeared."
CIO President Philip Murray saw 1941 as the year of "great expansion of organizational activity on behalf of labor and of the nation."
"The millions of workers who

WITH THE DROP OF A WITHERED TWIG, HE...

▼ TOOK A FRIEND'S LIFE!
▼ BROKE THE HEART OF A WOMAN IN LOVE!
▼ SAVED A NEW WORLD FOR THE RULER WHO HAD ORDERED HIM HANGED!

PAUL MUNI

In the kind of role you've always wanted him to play!

HUDSON'S BAY

with **GENE TIERNEY**
LAIRD CREGAR • JOHN SUTTON
VIRGINIA FIELD • VINCENT PRICE
NIGEL BRUCE
Directed by Irving Pichel
Associate Producer Kenneth Macgowan
Original Screen Play by Lamar Trotti
A Twentieth Century-Fox Picture

GRAND

Established Price 36c
Defense Tax .04
Total 40c

HOLLYWOOD 15
Today - Thurs. 2:15-4:15 P.M.
Continuous Today, 1-11 P.M.

New! A New Heart-Thrill on the Screen!

GEORGE O'BRIEN
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Also News and Short