

PGE and Salem Battle Renewed

Announcement of Sale Plan Backfires as President Balks

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ilities and franchises he owns are "in process of consummation." Read, member of the cooperative and its manager, indicated that there were negotiations, but would neither confirm nor deny the power company statement. Read Owns Poles, Lines In Downtown District

Read's properties consist of poles and lines leading from the river edge in Salem to the downtown district and in West Salem to the substation. They are owned by him and were to have been leased to the cooperative.

The purchase price for Read's equipment and franchises was unofficially reported as \$20,000. The amount was reported held in escrow pending final action on the purchase.

Sydney L. Stevens, president of the cooperative, said the cooperative intended to carry on. "I have contracted with the Bonneville administration for the Salem Electric Cooperative," Stevens said, "and, regardless of whether Mr. Read sells out, the cooperative will go ahead with plans to supply power to Salem and West Salem."

The cooperative has about 50 members.

Initial power delivery to the cooperative from the government's West Salem substation is expected within 30 days, according to information from Bonneville Administrator Paul J. Raver. Has No Distribution System of Its Own

The cooperative has no distribution system of its own, but has completed engineering for a transmission line crossing over the Willamette river. Application for the crossing is now pending before the Portland district engineer of the war department.

Sale of power to its members at Bonneville standard resale rates was intended by the cooperative.

The cooperative, fathered by Read, originally intended to buy power from the PGE at wholesale industrial rates and distribute it, pro-rating cost among the members. This plan was blocked when the PGE refused to sell and was sustained by the public utilities commissioner.

The cooperative then made plans to supply Bonneville power to its members and Read was given permission by the city council to erect a limited number of poles and to maintain power lines on them.

Officials of the cooperative indicated Tuesday that delays in receiving power from Bonneville may have influenced Read to dispose of his properties. It was said that his personal investments in equipment, engineering and legal advice have been between \$7000 and \$11,000.

Credit was given Read and the cooperative by officials of the cooperative for effecting reductions in private power rates, city street lighting costs and for increasing income of the city from its franchise to the power company.

The statement made by J. H. Polhemus, president of the PGE, said:

"Early in February the Portland General Electric company filed a commitment with the public utilities commissioner to make substantial rate reductions effective March 25, 1941. When such commitment was given publicly Mr. Read felt that the purpose of the Salem Electric cooperative had been effected and he was willing to sell to the Portland General Electric company the properties which he had purchased for use of the cooperative.

"Negotiations are under way for such purchase and are now in process of consummation."

Salem Spring Opening New As 1941

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buying knowledge in a contest in which more than 36 worthwhile gifts may be earned. Rules and entry blanks are being delivered to every residence in Salem and West Salem; they may also be obtained from the merchants taking part in the "opening."

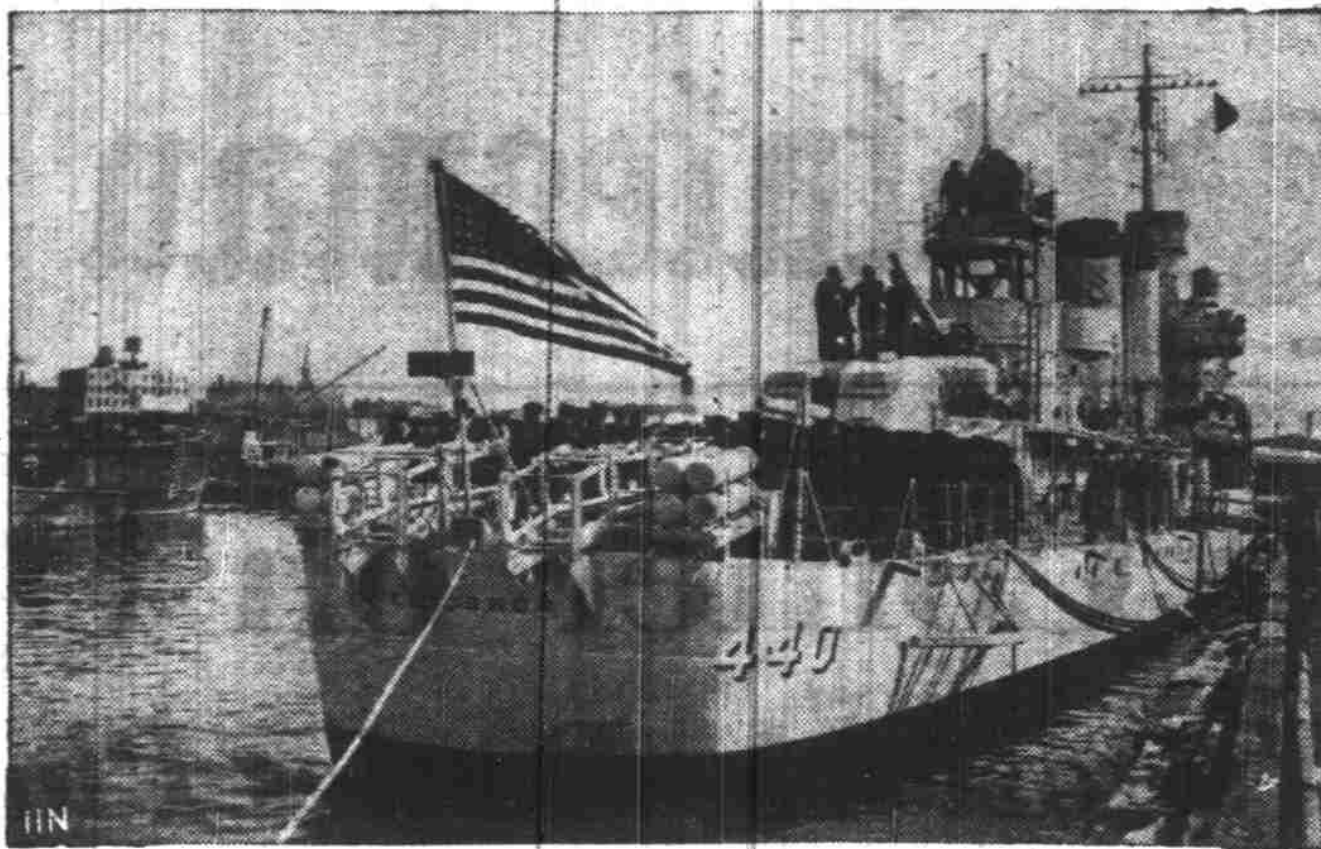
The Ad club as usual will sponsor modern and oldtime dancing starting at 9:30 p.m. at the Crystal Gardens.

That's the program for Spring Opening, 1941 model—Thursday night.



DR. CHAN LAM
Chinese Medicine Co.
241 West Liberty
Updates Portland General Electric Co. Office open Tuesday and Saturday 9:30 a.m. to 1 p.m.; 6 to 7 p.m. Consultation, blood pressure and urine tests are free of charge.
35 Years in Business

US Launches Another New Destroyer



U. S. S. Ericsson being commissioned

Named in honor of the man who designed and built the famous "Monitor" during the World War, the U. S. S. Ericsson, a destroyer, above, is pictured

being commissioned at the New York navy yard. Officers and men salute the flag in this picture taken aboard the ship.

Salem Plants Urged to Ask

Yocom Suggests Check on Capacity, Tells of Procedure

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fense contract service added that "our problem is the production of the greatest volume of acceptable defense goods in the shortest possible time."

"We have absolute belief in the ability of America to meet the defense emergency, and meet it in a democratic way, and meet it in a manner that will permit us to return to a stable economy when the emergency ends."

Trecker, who is touring the country to help show manufacturers how they can get government contracts, said a relatively few large firms now were carrying the major part of the defense load, and added that the resources of from 90,000 to 100,000 concerns had yet to be brought into the defense picture.

"We must bring more of our production facilities into the defense effort," he asserted. "We want to spread the work as far as possible."

Funds for US Fleet Approved at Capitol

WASHINGTON, March 18.—(AP) Committee approved Tuesday a \$3,446,000,000 naval appropriations bill, the largest peacetime outlay for the fleet.

The subcommittee struck out of the navy supply bill a provision which has prevented the navy in the past from purchasing canned beef from Argentine and other Latin American countries. Chairman Byrnes (D-SC) of the subcommittee said this action was taken after western senators said they would have no objection to the change.

Man Failure Blamed In Wreck of Train

WINDHAM, O., March 18.—(AP) "Man failure" was blamed Tuesday night for an Erie railroad freight train's crash into the middle of a passenger train carrying 700 sleepy construction workers into Ravenna arsenal Tuesday. Of the 175 injured, four were seriously hurt and 56 others needed hospital care.

The east-bound freight, pulling 47 loaded and five empty cars, smashed at a sidewise angle into the fourth and fifth coaches of a ten-car Erie commuter train.

Chimney Blaze Quelled

Firemen were called Tuesday night to extinguish a chimney fire at 654 North Church street.

In One Ear..

—Paul Hauser's Column

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in the "B" school journey from long distance.

10:15 a.m.—Dropped into the Ace, the place Al Benson now calls home to find out how the town's second most experienced soda dispenser feels to become S.D. No. 1 now that Harvey Shaffer, the fastest man who used to be in town, is in the army now and not behind a triple malted. He wasn't there and we didn't find out, but his wife, who apparently takes the early shift, says he feels fine.

10:30 a.m.—To the office where we find Brother Gemmell isn't. You'd think he played that basketball tournament himself it takes him so long to recuperate.

10:45 a.m.—State street—Found George Condegeorge, the man with the doubletalk name, polishing windows and muttering about basketball. Says a kid's taught to drive, drive, drive and if he takes a long shot in the last second instead of stalling why that's what he's been taught and nobody's got any call trying to make a goat out of him.

11 a.m.—Out talking to Zizale, a happy man without a care or a mortgage in the world.

12 noon—Luncheon at Frank Meyer's eatery where they turn the juke box off at noon because it drowns out the soup and business conferences. F. Myers said "hello, boys" to us five times, one below his par for the course.

1 p.m.—Found the capital press room a whirlwind of inactivity and Charley Pray checking up on Hitler and that man via AP. The boys report that since the legislature closed at 3 a.m. the janitors had to move out the furniture to get some of the legislators to leave.

2:30 p.m.—Against better judgment wandered into Gwynn's barbershop where the den and lost our locks. Left laughing at locksmiths.

Oddities .. in the News

WASHINGTON.—(AP)—When little Johnny refuses to take his castor oil he's not obstinate—he's patriotic.

It—castor oil—was included on a list of 220 critical defense items on which preference will be given to army and navy orders.

Officials said that castor oil is used as a lubricant in some airplane motors.

SEATTLE.—(AP)—An inebriated motorist, who paid for collision damages in carcases, is sought by police.

A woman driver reported the man stopped his car suddenly and backed into her machine on Twenty-third avenue. When the two cars came together both drivers got out.

The man walked to the woman

and said:

"Well, Honey, this is all you're going to get out of this."

He then threw his arms around her, kissed her and hurried back to his car. She recovered from her astonishment in time to take his license number.

PORTLAND.—(AP)—Is an illiterate driver legal in Oregon? Secretary of State Earl Snell will have to decide that. Municipal Judge Julius Cohn won't.

A Texan, arrested for driving without a license, told Cohn, "I can't pass the written examination for a license because I can't write. In California they gave me an oral examination."

The judge suspended the fine, ordered no driving for the prisoner, and told him to take the problem to the secretary of state.

Portland Teller Waives Hearing

PORTLAND, March 18.—(AP)—Morton C. Christensen, 43, Portland Trust & Savings bank teller accused of converting \$2100 of the Portland Trust & Savings bank's funds to his own use, waived preliminary hearing Tuesday.

US Commissioner Kenneth Frazer ordered him held for the federal grand jury. Bail was set at \$5000.

War News Briefs

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announced Tuesday it was considering plans to establish naval bases along its more than 3000-mile seacoast.

LONDON, March 18.—(AP)—Civil estimates issued Tuesday disclosed the salary of Lord Halifax, British ambassador to the United States, has been raised by approximately \$8000 to \$70,632.

PORTLAND, March 18.—(AP)—Two Boeing bombers dipped through the clouds and into custody of a British air commission here Tuesday. The huge armored ships were the first of 22 planes bound for Britain. British airmen said they would take off here Wednesday for Dayton, Ohio, and then Montreal, Canada.

ATHENS, March 18.—(AP)—Greek military authorities announced Tuesday night the repulse of repeated local Italian attacks in Albania and the capture of 165 additional prisoners.

BRUSSELS, via Berlin, March 18.—(AP)—The German military governor of Belgium Tuesday decreed compulsory retirement of all Belgian civil service employees at the age of 60.

BUCHAREST, Rumania, March 18.—(AP)—A special police order issued said all Jews must present themselves immediately to authorities to have the word "Jew" stamped on their passports or suffer confiscation of their papers.

Turks, Greeks Hold Parley

British in on Confab to Strengthen Defense in Balkans Area

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some of the largest convoys ever assembled.

(The British censorship apparently did not permit more direct confirmation of advice from excellent Balkan sources that the first 100,000 men of a British army of 300,000 already have landed on the Greek mainland with all the implements of war.)

The crews of this and other British cruisers, battleships and destroyers were constantly at the "ready," and several times precautionary raid alarms were sounded, but the gigantic flotilla passed from central and eastern Mediterranean ports into the Aegean without incident.

Moved at Times Within Few Miles of Italians

The vessels, including tankers and freighters of every sort, moved at times within a few miles of the Italian batteries on the Dodecanese.

As the ships zigzagged and fanned out through the island-dotted passages known as the German and Italian "bomb alleys," some axis planes flew nearby, then rocketed away without dropping a single bomb. No Italian surface ships were sighted.

The British suggested that the cost to Germany in destroyed dive-bombers in the attack on the aircraft carrier Illustrious Jan. 10 apparently had discouraged mass attempts to attack warships from the air.

CAIRO, Egypt, March 19.—(Wednesday).—(AP)—A polyglot army described as the largest ever to stand in this region has been assembled here and already equipped with several hundred American planes for Britain's final assault on the remnants of Italy's east African empire.

Troops drawn from Australia, New Zealand, India, British African colonies and other parts of the empire have been augmented by free French, Poles, Czechs and Belgians in perhaps the most international and formidable force ever to tread this historic stamping grounds of soldiers.

The American planes shortly may be put to their severest test—flying through often sand-laden desert air to bomb Italian troops and positions ahead of British land forces in a general advance on Ethiopia.

Already, the British were taking full advantage of their recapture of Berbera, capital of British Somaliland, from the Italians last Sunday.

From this base on the Gulf of Aden, the mixed troops of General Sir Archibald P. Wavell were spreading out through the colony whose natives were joining the British in the drive toward the northern frontier of Ethiopia.

BERLIN, March 18.—Authorized Germans charged "American war inciters" with responsibility Tuesday for reports that a long-distance Nazi U-boat was enroute across the Atlantic to American waters.

"We are not so naive as to attack the United States with a U-boat," said these informants, calling the reports an attempt by the munitions industry to create war panic in the United States.

Police to Probe Cafe Disturbance

Investigation of a demonstration following the final game of the state basketball tournament in which it was necessary for police to escort members of the Astoria high school team from the Quella restaurant will be made by two policemen under direction of Chief of Police Frank A. Minto and Assistant Chief Carl Charlton, Minto said Tuesday.

The council ordered an investigation and a report to the council at its Monday night meeting. Police indicated that most of the estimated 200 persons who swarmed around the restaurant were merely by-standers attracted by the excitement.

Principal Fred D. Wolf of Salem high school is meanwhile investigating to learn the identity of high school students who might have been directly involved in the fracas.

Labish Center Man Honored at Party

ELDRIDGE.—Arthur Rasmussen was pleasantly surprised Saturday when Mrs. Rasmussen entertained on his birthday at their Labish Center home.

Invited were Mr. and Mrs. Harry Bressler, Salem; Mr. and Mrs. Pearl Patterson, Mr. and Mrs. Julian DeJardin, Mr. and Mrs. Henry C. Stafford, Mr. and Mrs. Allyn Nusom, all of this community; Mr. and Mrs. Peter Russ of Labish Center.

Aurora Wins Shoot

AURORA.—Aurora Rod and Gun club gunmen scored 72 in a telegraphic shoot last Sunday. Shooting were Del Crier 25; Percy Will 24; Ben Stoner 23; A. A. Schnieder 23; Dave Chazen 22; Roy Love 22; Lee Schrock 20; Willis Yoder 19; George Crier 19; Lee Carpenter 19 and Mrs. A. A. Schnieder 13.

Institute of Citizenship Ends With Address by Governor

Willamette university's Institute of Citizenship, first in the west, was declared a success Tuesday night, following a busy, full day in which nearly 600 Oregon high school student leaders saw their "state government in action."

Governor Charles A. Sprague brought the climax with the closing address in Waller hall, stating that youth must be educated to lead or to follow wisely and to contribute ideas in government.

Naval Convoy Questions up

President Believed Concerned in Safe Landing of Aid

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could be manned with British crews and assigned to convoy service.

An extension of the American neutrality patrol farther into the north Atlantic to keep Nazi warships away and relieve the British of convoys on the American side.

In discussing the tip that a German submarine had been sent to American waters, Sumner Welles, acting secretary of state, said he learned from the British ambassador that the information had been transmitted from British to American naval authorities. He said he did not know the basis of the report.

What precautionary steps were taken on the basis of the warning were not revealed by the navy but it was presumed that American neutrality patrol ships were put on the alert against the approach of any submarines.

WASHINGTON, March 18.—(AP)—With less than a quarter of the membership present and passage a foregone conclusion, the house Tuesday heard the ranking republican and democratic members of its appropriations committee urge prompt approval of the nation's biggest peace-time appropriation bills—\$7,000,000,000 for help to England, Greece and other nations which resist the axis powers.

Says Act Will Be Like Transfusion of New Life

"This act will be a transfusion of new life to the beleaguered democracies of the world," said Representative Woodrum (D-Va.).

Rep. Taber (R-NY), who voted against the lease-lend bill, said:

"Regardless of what anyone's attitude might have been as to embarking upon a program of aid to Great Britain, to my mind there can be no question but what we have embarked upon the program and that we must furnish enough aid to Great Britain to permit Great Britain to win. Otherwise, we are in trouble."

Secretary Hull told the committee that the country should "go full out" in its assistance to Britain to keep "would-be-conquerors" from dealing with the United States as they have dealt with other nations.

WASHINGTON, March 18.—(AP)—Asserting that the United States has plenty of foodstuffs, President Roosevelt disclosed Tuesday that he had asked the agriculture department and the public health service to prepare a list of food and related products needed by Great Britain and some other warring countries.

He told a press conference that Britain would get a major portion of the food shipments, and that Spain might get some. He added that the Red Cross was completing arrangements to send two cargoes of grains to unoccupied France.

NEW YORK, March 18.—(AP)—Returning from a long tour of Europe and northern Africa, Col. William J. Donovan said Tuesday he hoped his observation of many phases of modern warfare would enable him "to give information of value to our own country in preparation for its defense."

"Frosty" Olson Nominated by Toastmasters

O. D. "Frosty" Olson was nominated Tuesday night for the presidency of the Salem Toastmasters club, public speaking organization which meets weekly at the Marion hotel.

Other nominees, for offices to be filled next Tuesday, are: Edward Majek, for vice-president; Albert Gilie, incumbent, for secretary-treasurer, and E. E. Thomas, for sergeant-at-arms.

Dr. William C. Jones, head of the department of public administration and director of the institute, said at the end of the session, "The day was an entire success. Officials and students alike had a good and interesting time." Principals, who accompanied the delegations from about 70 schools, were asked to submit written opinions of the program.

Leadership Necessary

Gov. Sprague remarked that leadership is necessary for good government, it must command public support and guide in the right direction, and that a faithful following is necessary for successful leaders to carry out ideas. "Our duty is to support our popularly elected leaders so long as they are leading in a way which we think is wise." "Youth can and should take part in government," he urged, citing the younger William Pitt and Alexander Hamilton as examples.

The program began at 8:30 a.m. with registration on the campus. Welcome to the visitors was extended by Mayor W. W. Chadwick and Dean Chester F. Luther. Addresses were given by Rex Putnam, state superintendent of public instruction; David W. Eccles, secretary to the governor; Elmer R. Goudy, state welfare administrator; Hall S. Lusk, supreme court justice. The Willamette a cappella choir sang, directed by Dean Melvin H. Geist.

Capitol Is Visited

An excursion through the capitol building included an address by Leslie M. Scott, state treasurer. I. H. Van Winkle, state attorney-general, and Dr. Bruce R. Baxter, president of the university, were speakers at the luncheon, held in two sections.

The afternoon began with visits to the state institutions. Lively discussions were reported in most of the meetings on various phases of government, led by officials. These concerned justice, state and labor, conservation, public education, public welfare, public health, state finance and agriculture.

Dean Olive M. Dahl was hostess at a tea for the visitors during the late afternoon.

T. Morris Dunne, member of the state industrial accident commission, and Pres. Baxter were speakers at the dinner meetings.

The university band, directed by Prof. Maurice W. Brennen, played preceding the closing session in Waller hall.

Administration of the Institute was by members of the university faculty and majors in the departments of history, political science and public administration.

Free Methodist To Feature 30 Voiced Choir

The Seattle Pacific college a cappella choir, a superb singing organization of 35 voices and devoted entirely to the presentation of outstanding sacred music without instrumental accompaniment, is now engaged in its fifth annual spring concert tour. Traveling by chartered bus the choir will arrive Thursday night for a program at the Free Methodist church. The public is cordially invited to hear the concert beginning at 7:45 p.m. A free-will offering will be taken to defray expenses connected with the tour.

Through his vivid, dynamic, and yet reverent, interpretations of the masterpieces of sacred choral literature, the conductor of the Seattle Pacific choir, Prof. Lawrence R. Schoenhals, has gained friendly recognition from music lovers wherever the choir has appeared. Prof. Schoenhals has arranged a program of particular interest and variety for the 1941 season. Included in the repertoire are compositions by Bach, Stainer, Tchaikovsky, and Glinka, as well as those of present day composers, and negro spirituals.

Lighthouse Keeper Dies

ASTORIA, March 18.—(AP)—Gustaf Siniluoto, 69, who retired five years ago as North Head lighthouse keeper at the mouth of the Columbia river, died Monday at Ilwaco.

Sub Invasion Near US Told

Claims Nazi Cruisers Have Sunk Ships in Neutrality Zone

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voy. They have sunk ships as far west as the 42nd meridian of longitude (some 1500 miles east of New York.)

"Anyone can see how bitter is the need of Hitler and his gang to cut the sea roads between Great Britain and the United States and, having divided these mighty powers, to destroy them one by one."

For his part, Winant declared that "the American people have now girded themselves" to give to Britain the greatest weapons of war "with the utmost speed, in the greatest volume and with all the skill at their command"—ships, planes, guns, munitions and food. The promise was supported, almost coincidentally, by W. Averill Harriman, President Roosevelt's special representative, who reported that he had "already given special attention to the questions of shipping and food" for Britain since his arrival last Saturday.

LONDON, March 18.—(AP)—Nazi bombs killed 1000 persons and injured another 1300 in three nights last week in the Liverpool and Glasgow areas, shipping and ship-building centers vital to Britain's survival in the battle of the Atlantic, the government announced Tuesday night.

The German high command, describing the March 12 raid on Liverpool, said the several hundred planes dropped high explosives and incendiaries in waves on the west coast port and surrounding countryside, and DNB, official German news agency, said the devastation was worse than at Coventry, the Midlands industrial town raided the night of November 14.

One German observer said 10,000 explosive and fire bombs were dropped, and huge losses inflicted, especially along grain elevators and storehouses.

The air and home security ministries divided the casualties as follows: Liverpool, 500 killed, 500 wounded; Glasgow, 500 killed, 800 wounded.

Chemawa Wins Over CYO

Instead of withdrawing from further competition, as rumor last week had indicated, Chemawa's All Stars swept into first place in the final game of the second half of the major division of the city basketball league last night with a smashing 55-42 victory over the CYO team. Frank Backbone, high scoring Indian star, found his shooting eye to take scoring honors with 26 counters. Alley, CYO guard, potted 19.

The All Stars, in the cellar the first half, will play Simmons, first half champions, Thursday, and next Tuesday nights at 8:30 in Leslie junior high gym for the division championship.

Chemawa 55 42 CYO
Backbone 26 2 Parton
Van Pelt 13 1 Logan
Woundedeye 11 16 Haener
Lodge 6 19 Alley
Hayward 2 5 Herberger
Sub for CYO, Wilkinson 2.
Referee, Beard; umpire, Hendrie.

Plaintiff Loses Accident Claim

Verdict for the defendant was returned by a jury Tuesday in the circuit court case of George L. Earnest vs. state industrial accident commission.

The jury found, after a half-hour debate, that the plaintiff did not suffer an accident on October 16, 1939, resulting from his employment, and that in consequence he was not eligible for permanent disability compensation.

The complainant had alleged that he suffered injuries while working for Vlesko and Hanne-man, contractors, which incapacitated him from further employment.

Ordered to Desist

WASHINGTON, March 18.—(AP)—The national labor relations board announced Tuesday an order, based on an agreement, requiring Hills Creek Lumber company and Willamette Valley Lumber Operators association, Jasper and Eugene, Ore., respectively, to "cease interfering" with administration of industrial employees union, local 71-1, or any other labor organization, and to invalidate any contract with it.

WONDERING WHEN SALLY'S STORE OPENS SEE Tomorrow's Statesman!